United Nations A/68/221

General Assembly

Distr.: General
29 July 2013

Original: English

Sixty-eighth session
Item 17 (b) of the provisional agenda*
Macroeconomic policy questions

International financial system and development

Report of the Secretary-General**

Summary

The present report, submitted in response to General Assembly resolution 67/197, reviews recent trends in the international official and private capital flows to developing countries and current efforts to strengthen the international financial system. It highlights the ongoing challenges in the key areas of financial regulation, the global financial safety net, multilateral surveillance, policy coordination, management of capital flows, governance reform of the international financial institutions and sovereign debt restructuring.

* A/68/150.

** The present report was prepared in consultation with staff of the major institutional stakeholders involved in the financing for development process. Responsibility for its contents, however, rests solely with the United Nations Secretariat.

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I. Introduction

1. In its resolution 67/197 on the international financial system and development, the General Assembly stressed the need to continue to address systemic fragilities and imbalances and to reform and strengthen the international financial system, which it recognized should support sustained, inclusive and equitable economic growth, sustainable development, job creation and efforts to eradicate poverty and hunger in developing countries.

2. Although estimates of the financing needs of economic, social and environmental development objectives are necessarily imprecise, studies conclude, without exception, that sustainable development financing needs are extremely large. Even if all countries meet their development commitments, official resources alone will not be sufficient to cover these needs. Nonetheless, the estimated financing needs of sustainable development still represent a relatively small portion of flows of global savings, which amount to around $17 trillion annually.[1]

3. The challenge lies in promoting a financial system that channels investments towards sustainable global development, including long-term investment in infrastructure, riskier investment in innovation and small and medium-sized enterprises, financing of the global commons and other areas of international cooperation, and additional financing of social needs, in a stable and sustainable manner.

4. Yet, despite recent reform efforts, there continue to be gaps, barriers and misaligned incentives in the global financial system, which have resulted in both heightened instability and a misallocation of capital with regard to financing sustainable development needs. The sovereign debt crisis in Europe, banking system fragilities, policy uncertainty and the uneven global recovery have led to heightened risk aversion and increased volatility of both public and private capital flows. Although global imbalances have been decreasing in recent years, significant structural issues remain.[2] Global imbalances have also been tied to massive international reserve accumulation by developing countries, at the expense of productive investment in sustainable development.

II. Reserve accumulation and global imbalances

5. A large proportion of existing global savings are currently in the form of international reserves held by central banks. From 2000 to 2012, global foreign exchange reserves increased by 468 per cent, from $2.1 trillion to $11.7 trillion, with emerging and developing countries holding an estimated $7.7 trillion and accounting for 66 per cent of the total. Accumulated reserve holdings are particularly significant in South-East Asia, where they amount to almost 40 per cent of gross domestic product (GDP).[3]

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[1] See International Monetary Fund (IMF), *World Economic Outlook: Growth Resuming, Dangers Remaining* (Washington, D.C., 2012).

[2] See *World Economic Situation and Prospects 2013* (United Nations publication, Sales No. E.13.II.C.2), chap. I.

[3] Department of Economic and Social Affairs calculations based on the IMF, Currency Composition of Official Foreign Exchange Reserves database.

6. Annual reserve accumulation in emerging and developing countries peaked at $1.2 trillion in 2007 prior to the crisis, but fell as a percentage of GDP in the years since (with the exception of 2010) owing to the slowdown in global trade and a drop in cross-border international capital flows. Nonetheless, annual reserve accumulation is still significant, with expectations for 2013 at $635 billion.[4]

7. International reserves tend to be invested in low-risk investments, with around 62 per cent of reserves currently held in United States dollar treasury securities, which, despite being downgraded from AAA to AA+, are considered to be one of the safest forms of global investment. As such, the accumulation of foreign exchange reserves represents a form of constrained saving, since the allocation of national savings to reserves prevents funds from being invested in sustainable development.[5]

8. There are several reasons why countries choose to accumulate reserves. First, for many countries, reserves are a form of "self-insurance" against potential external shocks, which is a main reason why countries choose to hold reserves in extremely safe, liquid assets. Second, reserve accumulation has been the by-product of central bank interventions in foreign exchange markets aimed at smoothing exchange rate volatility and mitigating bubbles associated with excessive capital inflows. As such, reserve accumulation has been highly correlated with global liquidity and changes in international investor sentiment. Lastly, reserves can be a by-product of export-led growth strategies that maintain an undervalued currency through interventions in the currency market.

9. Empirical studies suggest that no single explanation can account for the behaviour of all countries at all times. A recent study by the International Monetary Fund (IMF) found that self-insurance played a prominent role in the increase in international reserves following the East Asian crisis, although mercantilism in the form of an undervalued real exchange rate also appears to have contributed in some cases. The study also found a positive unexplained residual in more recent years,[6] consistent with the role of exchange rate management in smoothing volatility.[7]

10. Views on what constitutes adequate international reserves have changed over time. Until the mid-1990s, it was generally believed that countries should hold enough reserves to cover three months of imports. However, the emerging market crises in the mid-1990s were triggered by difficulties in refinancing short-term dollar-denominated debt, not by pressures in the current account. This led to the view that reserves should be large enough to cover a country's short-term external debt refinancing needs. This approach did not take into consideration, however, the fact that the emerging market crises of the 1990s were also triggered by reversals in short-term capital portfolio flows and the unwinding of so-called "carry trades". By the end of the 1990s, many emerging market countries chose to engage in larger

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[4] See, IMF, World economic outlook database, April 2013 edition. Available from www.imf.org/external/pubs/ft/weo/2013/01/weodata/index.aspx.

[5] That a large share of international reserves is invested in Government bonds of developed countries also implies a net transfer of resources from poorer countries to wealthier ones.

[6] See Atish R. Ghosh, Jonathan D. Ostry and Charalambos G. Tsangarides, "Shifting motives: explaining the build-up in official reserves in emerging markets since the 1980s", IMF Working Paper, No. WP/12/34 (Washington, D.C., January 2012).

[7] See *World Economic Situation and Prospects 2013* (United Nations publication, Sales No. E.13.II.C.2).

self-insurance against volatility associated with international capital flows and open capital accounts.

11. However, precautionary reserve accumulation, while sensible at the national level, increases systemic risk at the international level. Reserve accumulation exacerbates global imbalances. Such imbalances carry the risk of a sudden and sharp disorderly adjustment process through large currency devaluations, which in turn could lead to significant slowdowns in major economies and jeopardize hard-won development gains in developing countries.

12. In order to be able to reallocate reserves towards sustainable and productive investment, it is therefore imperative to reduce risks in the financial system. Several proposals have been put forward in this regard. The Commission of Experts of the President of the General Assembly on Reforms of the International Monetary and Financial System recommended that the international reserve system make greater use of IMF special drawing rights (SDRs) as a way to reduce systemic risks associated with global imbalances and as a low-cost alternative to accumulation of international reserves. SDRs would provide necessary access to foreign currency for countries experiencing capital account pressures. It has also been recommended that mechanisms use SDR allocations as a potential source of innovative financing for development, although care needs to be taken to preserve the role of SDRs as a monetary instrument.[8] However, to date, the idea of using SDRs for development has not gained sufficient support in policy discussions.

13. Other important measures for reducing risks in the international financial system include managing international capital flows and reducing capital market volatility, reducing systemic risks associated with the banking and shadow banking systems, increasing the predictability of official development assistance (ODA), reducing systemic implications of sovereign debt crises and strengthening global social safety nets, all of which is discussed in the following sections of the present report.

III. International private financial flows to developing countries

14. Given their large financing needs, private investment will be crucial to achieving sustainable development objectives. Economic literature generally shows a clear correlation between investment and growth,[9] with international investment an important instrument for countries whose savings are insufficient to meet sustainable development needs. However, much of the literature does not distinguish between short- and long-term investment.

15. Foreign direct investment (FDI) remains a major component of private capital flows to developing countries. FDI also has the potential to advance economic development in a number of ways, including by generating knowledge spillovers (although public policies are often necessary for spillovers to be effective). However, much of cross-border portfolio flows to developing countries has been speculative and short-term oriented. There is significant evidence that such short-term

[8] See *World Economic and Social Survey, 2012: In Search of New Development Finance* (United Nations publication, Sales No. E.12.II.C.1).

[9] See Ross Levine, "Finance and growth: theory and evidence", in *Handbook of Economic Growth*, vol. 1A, Philippe Aghion and Steven Durlauf, eds. (Amsterdam, 2005).

volatile capital flows complicate macroeconomic management, may lead to exchange rate overshooting and asset price bubbles and carry risks for economic stability. Furthermore, sudden withdrawals of capital owing to heightened global risk aversion can contribute to the spreading of financial crises and, paradoxically, to a decline in long-term investment.[10]

16. The increasing volatility of cross-border capital flows is reflected in recent trends in net private capital flows to developing countries. These flows collapsed during the financial crisis, more than doubled from $206 billion in 2008 to $510 billion in 2010 and then contracted again in 2011 to approximately $393 billion. Estimated levels for 2012 are sharply lower at $51 billion. However, this sharp decline is mostly due to a large swing in other net investments (comprising mainly commercial bank flows) to China, which went from a surplus of about $27 billion in 2011 to an estimated deficit of $310 billion in 2012.[11]

17. Portfolio equity flows have been an important source of volatility in private capital flows. Equity flows fell in the second half of 2011 owing to concerns about the sustainability of public finances in Europe, which led to a general "flight to safety", as well as worries over an economic slowdown in leading emerging economies such as Brazil, China and India, before increasing in the first part of 2012 on a more favourable growth outlook and then falling again. In mid-2013, speculation regarding a possible slowing of quantitative easing by the Federal Reserve of the United States of America led to large redemptions from emerging market equity funds and significant capital outflows.[12]

18. Bond portfolio flows (both foreign and local currency) have generally been steadier, driven in part by improved fundamentals in a number of economies, but also by aggressive monetary easing in advanced economies. In particular, weakness in developed economies and extremely high global liquidity has depressed yields in some developed countries to close to zero. A "search for yield" by some international investors led to capital inflows in developing country markets with higher local interest rates.[13] However, speculation on a slowing of quantitative easing led to a sell-off in emerging market bond markets, as well as volatility in domestic interest rates, something which risks impacting long-term direct investment in the real economy.

19. Commercial bank flows to developing countries have been the most volatile form of capital inflows, owing to the deleveraging of international banks, especially

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[10] See Joseph Stiglitz and others, *Stability with Growth: Macroeconomics, Liberalization and Development*, Initiative for Policy Dialogue Series (Oxford University Press, 2006).

[11] IMF, World economic outlook database, April 2013 edition and Department of Economic and Social Affairs calculations. The IMF categorization of "emerging and developing economies" differs from the Department of Economic and Social Affairs categorization of "developing economies" in terms of the countries included. Hence, the figures on net private financial flows to developing countries published by the Department of Economic and Social Affairs are different from the figures on net flows to emerging and developing economies published by IMF in the World economic outlook database.

[12] See "World economic situation and prospects", Monthly Briefing No. 56 (9 July 2013). Available from www.un.org/en/development/desa/policy/wesp/wesp_mb/wesp_mb56.pdf.

[13] See IMF, *Global Financial Stability Report: Old Risks, New Challenges* (Washington, D.C., April 2013).

in Europe, which is expected to continue in the near term.[14] Of particular concern is evidence that long-term financing from banks has been constrained during the past few years. For example, the number of international claims of European banks with a maturity of over two years has been falling and there are, moreover, indications that these institutions have been reallocating lending in emerging market and developing economies towards shorter maturities.

20. There is also evidence that institutional investors, including those with longer-term liabilities (such as pension funds, life insurance and endowments), have in recent years shifted asset allocations towards more liquid assets and shorter-term investments.[15] Even FDI flows, which tend to be longer-term and more stable than other components of private capital flows, may be becoming more volatile. It has been argued that there has been a shift in the composition of FDI, from equity to debt components, which has made it easier to move funds between host and home countries.[16]

21. Conventional approaches to managing cross-border capital flows focus on macroeconomic policies, including the adoption of exchange rate, monetary and fiscal policies to enhance an economy's capacity to absorb inflows. However, these policies may not be sufficiently targeted to stabilize financial flows and may have undesired side effects. For instance, fiscal and monetary tightening to avoid overheating can affect economic growth prospects, while currency appreciation can harm export industries. Attempts by policymakers to counteract the expansionary impact of excessive capital inflows by tightening monetary policies could be partly self-defeating, as the higher interest rates may induce additional capital inflows, thereby exacerbating upward pressure on the exchange rate and further limiting domestic policy space.

22. Instead, a number of emerging economies (including Brazil, Indonesia, Peru, the Republic of Korea, Taiwan Province of China and Thailand) have recently taken measures to manage inflows through direct and indirect regulations on the capital account. These measures have included macroprudential measures, management of domestic capital markets (including derivative markets) and direct measures on capital account transactions.

23. The majority of the new initiatives have been implemented through macroprudential policies aimed at limiting the build-up through the banking system of systemic risks, such as currency mismatches and credit bubbles due to cross-border flows. Examples of such measures include the decision by the Republic of Korea to levy up to 0.5 per cent on the non-deposit foreign currency liabilities of banks in order to reduce cross-border short-term bank lending and the decision by Peru to increase the marginal reserve requirements for short-term local currency deposits from 65 per cent to 120 per cent in order to reduce short-term capital invested in

[14] See "Long-term investment financing for growth and development: umbrella paper", paper prepared by World Bank staff with input from the staff of the Organization for Economic Cooperation and Development, IMF, the United Nations Conference on Trade and Development, the Department of Economic and Social Affairs, the World Bank Group and the Financial Stability Board and presented at the meeting of the Group of 20 (G20) Ministers of Finance and Central Bank Governors, Moscow, February 2013.

[15] See World Economic Forum USA, "The future of long-term investing", New York, 2011.

[16] See *World Investment Report 2011: Non-equity Modes of International Production and Development* (United Nations publication, Sales No. E.11.II.D.2).

Peruvian sol interest rates (which is often funded in United States dollars in order to take advantage of interest rate differentials).[17]

24. According to IMF research based on emerging economies' experiences over the past decade, such macroprudential measures have had mixed results.[18] While they appear to have lengthened the maturity of capital inflows in some countries (such as Peru and the Republic of Korea), the effect on total net flows has been limited. Moreover, the fact that macroprudential measures tend not to be sufficiently targeted to the source of the shocks, may limit their effectiveness.

25. In recent years, a few countries, including Brazil and Indonesia, have introduced direct controls on capital inflows. Direct controls are similar to macroprudential regulations in that they can be price-based, in the form of levies or taxes on capital inflows, or quantity-based, in the form of direct limits. For example, in 2010, Brazil increased its tax on fixed-income foreign investment in order to raise the cost of speculation[17] (although the tax has since been cut), while Indonesia imposed a six-month holding period for Bank of Indonesia certificates in order to limit short-term hot money inflows.[19] Most new regulations have focused on limiting inflows, although some regulations, such as the controls introduced by Malaysia in 1998, have also been used to limit outflows.

26. Most available studies find that price-based capital controls on inflows have also been effective in changing the composition of inflows away from short-term debt.[17] For example, between 1991 and 1998, price-based controls on inflows in Chile appear to have been effective in altering the composition of inflows, with short-term debt declining as a proportion of total liabilities and the stock of FDI increasing from about 34 to 53 per cent.[20] The impact on the volume of flows is, however, more ambiguous, with regulations appearing to have been more successful in some cases than in others. The varying results of similar mechanisms across countries and time frames suggest that there is no one-size-fits-all solution. The design of regulations needs to take into account the specific circumstances of individual countries, including their economic situation, existing institutions and regulatory framework, and the structure and persistence of inflows.

27. One oft-cited reason why controls may not be effective is the risk of evasion.[21] In particular, capital account regulations may be particularly difficult to implement in countries with a large derivatives market, since speculators can often use this market to circumvent restrictions. For this reason, some countries, such as Brazil and the Republic of Korea, implemented restrictions directly in the derivatives market, albeit at relatively low initial rates. Both countries also adjusted these and other controls countercyclically in response to changes in investor sentiment. For example, the Republic of Korea tightened its limits on domestic and foreign bank

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[17] See *World Economic Situation and Prospects 2012* (United Nations publication, Sales No. E.12.II.C.2).

[18] See Jonathan D. Ostry and others, "Managing capital inflows: what tools to use?", IMF Staff Discussion Note, No. SDN/11/06 (Washington, D.C., April 2011).

[19] See Emma Saunders, "Indonesia pre-empts capital flow reversal", *Financial Times*, 14 April 2011.

[20] See Jonathan D. Ostry and others, "Capital inflows: the role of controls", IMF Staff Position Note, No. SPN/10/04 (Washington, D.C., February 2010).

[21] See Shari Spiegel, "How to evade capital controls … and why they can still be effective", in *Regulating Global Capital Flows for Long-run Development*, Kevin P. Gallagher, Stephany Griffith-Jones and José Antonio Ocampo, eds. (Boston University, 2012).

exposure to foreign exchange derivatives towards the end of 2012 in an attempt to stem volatility in the rapidly appreciating won.[22] Brazil, meanwhile, eliminated its 1 per cent tax on derivatives transactions when foreign inflows fell in June 2013.[23]

28. IMF has framed an institutional view on the liberalization and management of capital flows which suggests that capital flow management measures, including capital controls, can be useful at times, particularly when the room for macroeconomic policy adjustment is limited, when needed policy steps or macroeconomic adjustments require time and when inflow surges raise risks of financial system instability. These measures should not be a substitute for adjustments in macroeconomic policies, although the exact sequencing of the various policies and the composition of the policy mix will depend on country-specific circumstances. The IMF institutional view also suggests that such measures should be transparent and targeted, temporary and, to the extent possible, non-discriminatory.[24] However, where there are risks to financial stability, the view does not rule out the possibility of using long-standing measures. Some experts have also argued that such regulations should be an essential part of the macroeconomic policy toolkit to combat capital flow surges before they lead to bubbles and as such should be seen as permanent tools that can be applied countercyclically to changing economic circumstances.[25]

29. From a longer-term perspective, it is necessary for countries to mobilize stable domestic sources of finance and to develop deep and robust financial systems in order to safely intermediate external flows. This will require sustained GDP growth, a strong enabling environment and improved governance. The development of local currency bond markets is often seen as one instrument for longer-term finance, although steps need to be taken to ensure that these markets do not attract hot short-term oriented funds. The development of domestic long-term investor bases such as local pension markets should also be encouraged, and incentives provided to encourage long-term investment horizons.

30. In addition, steps to reduce the volatility of capital flows should be taken in source countries. Given the cross-border spillover effect of monetary policy decisions, measures that incentivize investors in developed countries to invest at home would both help monetary authorities to respond to slowdowns in developed countries and help to allay asset bubble pressures in developing countries. In addition, better international coordination of monetary policies and better management of global liquidity are needed to reduce global risks. Consideration also needs to be given to incentivizing longer-term investments by bankers and institutional investors, something which necessitates reforms in international financial regulation.

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[22] See Simon Mundy and Song Jung-a, "South Korea tightens derivatives limits", *Financial Times*, 27 November 2012.

[23] See David Biller and Maria Wisa Rabello, "Brazil scraps tax on currency derivatives to stem real drop", *Bloomberg News*, 12 June 2013.

[24] See IMF, "The liberalization and management of capital flows: an institutional view", 14 November 2012. Available from www.imf.org/external/np/pp/eng/2012/111412.pdf.

[25] See Kevin P. Gallagher, Stephany Griffith-Jones and José Antonio Ocampo, eds., *Regulating Global Capital Flows for Long-run Development* (Boston University, 2012).

IV. Strengthening international financial regulation

31. The primary role of the financial system is to allocate savings to productive purposes. For the financial system to perform its role effectively, regulatory and other policy measures need to: (a) secure the safety and soundness of financial institutions and the financial system at large; (b) ensure competition; (c) protect consumers; (d) ensure that the financial sector promotes macroeconomic stability and growth; and (e) promote access to credit and other financial services.[26]

32. The importance of many of these factors was underscored during the financial crisis. In particular, there has been an increase in awareness of the need for macroprudential regulations that focus on systemic risks, including the impact of regulations on macroeconomic stability. For example, Basel III incorporates a number of elements aimed at addressing procyclicality and reducing systemic risks, including a maximum leverage ratio and a countercyclical buffer,[27] although these are limited in scope. In addition, the Group of 20 (G20) has requested the Financial Stability Board, IMF and the Bank for International Settlements to work on establishing a macroprudential policy framework for identifying and monitoring systemic financial risk and macroprudential instruments, the outcome of which is still pending. In addition, the importance of comprehensive regulations, inclusive of shadow banking, was underscored during the crisis.

33. Since the crisis, the international community has taken important steps to address vulnerabilities in the financial sector through regulatory reform. However, regulation has still focused primarily on ensuring the safety and soundness of the financial system, centred on the banking sector through the Basel III international regulatory framework for banks, without giving sufficient attention to the other criteria that are important for a well-functioning financial sector. For example, while it is still too early to estimate the full effects of Basel III, there is a concern that, by raising the cost of lending, the Basel capital adequacy rules may have the effect of limiting riskier lending, including access to finance (since smaller entities, such as microenterprises and small and medium-sized enterprises, have higher capital costs). Similarly, Basel III risks further reducing the availability of long-term financing, with a particularly negative impact on developing countries with large infrastructure needs. It also penalizes lending in areas without sufficient data on default histories, such as trade finance and new technologies, including green investments.[28]

34. There are also concerns that tighter bank regulations, in conjunction with the complexity of the Basel III framework, may trigger a new wave of regulatory arbitrage. It is reported that new products are already being created to circumvent the rules.[29] More generally, complex regulations can be difficult to administer and costly. This argues for broad-based, simple regulations that incorporate both balance sheet and off-balance sheet exposures, such as high capital ratios and low leverage

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[26] See Joseph E. Stiglitz, "Principles of regulation", paper presented at the Initiative for Policy Dialogue, Financial Markets Reform Task Force Meeting, Manchester, United Kingdom, July 2006.

[27] See Financial Stability Board, IMF and Bank for International Settlements, "Macroprudential policy tools and frameworks: progress report to the G20", 27 October 2011.

[28] For a discussion of trade finance in Basel III, see *World Economic Situation and Prospects 2013* (United Nations publication, Sales No. E.13.II.C.2).

[29] See IMF, *Global Financial Stability Report: Restoring Confidence and Progressing on Reforms* (Washington, D.C., October 2012).

ratios, with simple countercyclical rules built in. Nonetheless, there would still be a risk that activities requiring higher capital would shift from the regulated banking system to shadow banking practices.

35. The value of shadow banking assets has risen from an estimated $26 trillion in 2002 to $67 trillion in 2011, or 24 per cent of total assets in the global financial system.[7] Entities such as money market funds, hedge funds and structured investment vehicles provide alternative market-based sources of funding, but also pose significant risks to the financial system. The Financial Stability Board has formulated a number of principles for regulating shadow banking. Since most shadow banking entities gain leverage through the formal banking system, the Financial Stability Board recommendations focus on the interactions of regulated banks with such entities.

36. Another area that has received global attention is that of "too-big-to-fail" institutions. During the global financial crisis, large financial institutions, in particular, were found to have spread systemic risks. IMF estimates the implicit subsidy to big banks in terms of lower borrowing costs to be about 0.8 percentage points.[30] G20 leaders have agreed to strengthen the oversight and regulation of global systemically important financial institutions with a focus on minimizing the adverse impacts that their distress or failure may have on the financial sector and the broader economy. The Financial Stability Board has suggested that global systemically important financial institutions should have a loss-absorbing capacity beyond the general standards of Basel III and develop recovery and resolution plans and that countries should give this priority in their national regulatory frameworks.

37. Although authorities in several countries have taken steps to develop resolution strategies consistent with the Financial Stability Board's recommendations,[31] further legislative measures are necessary in order to fully implement the requirements, and put in place the arrangements, for cross-border cooperation on resolution measures. In this regard, European Union finance ministers recently reached agreement on the parameters of a draft directive on bank recovery and resolution, the implementation of which will be significant, since the European Union is home to a number of global systemically important financial institutions.[32] Measures to decrease financial concentration could also be explored, including steps to reduce the size of financial conglomerates by separating different business lines and creating a more competitive banking system.

38. Progress on the reform of the derivatives market has also been slower than desirable. To reduce risks in the derivatives market, the G20 agreed that over-the-counter derivatives that can be standardized should be traded on formal exchanges or electronic platforms by the end of 2012. In addition, improvements in

[30] See Christine Lagarde, Managing Director of IMF, "The global financial sector: transforming the landscape", statement to the Frankfurt Finance Summit, 19 March 2013. Available from www.imf.org.

[31] See Financial Stability Board, "Implementing the FSB key attributes of effective resolution regimes: how far have we come? — report to the G20 finance ministers and central bank governors on progress in reforming resolution regimes and resolution planning for globally systemically important financial institutions (G-SIFIs)", document PLEN/2013/55. Available from www.financialstabilityboard.org.

[32] See Matthew Attwood, "Answering five questions on recovery and resolution", *Financial News*, 27 June 2013.

over-the-counter markets should include reporting requirements and central clearing of transactions. While progress has been made towards meeting the G20 commitments through legislation, regulation and expansion of infrastructure, much remains to be done to complete the agreed reforms.[33]

39. Other regulatory initiatives under discussion include work on uniform global accounting standards, reduction in the reliance on credit rating agencies, reform of certain compensation practices and the establishment of macroprudential regulatory frameworks and countercyclical buffers. Taken together, these reforms represent important improvements that reduce risk in the financial system. However, implementation, supervision and enforcement remain crucial. Furthermore, significant gaps remain, particularly in aligning incentives with long-term investment for sustainable development.

40. In terms of implementation, there have also been delays by some countries in meeting the 1 January 2013 deadline agreed for implementation of Basel III.[34] There is some concern that different rates of implementation could contribute to a dilution of minimum standards.[30] Indeed, one goal of Basel III was to create a globally consistent and harmonized regulatory structure as a way to ensure a level playing field. At the same time, given diverse national structures, the challenge is to strike the right balance between ensuring a level playing field internationally and accommodating country differences, in order not to place an unnecessary burden of adjustment on national financial systems.

41. One of the primary goals of an effective financial system, which has not been fully incorporated into the reform agenda, is the importance of access to finance and financial services for all. There is no one-size-fits-all approach for building an inclusive financial system. Some countries have placed priority on building a nationwide electronic payment system, others have focused on access to credit for SMEs and still others have focused on the need to improve the quality of usage, financial education and consumer protection. In all cases, coordination among a wide array of public and private actors is vital in order to arrive at a regulatory framework conducive to inclusive finance.

42. The development and adaptation of international financial regulation would also benefit from greater representation of and participation by developing countries in the regulatory reform process. Despite some progress, formal representation in international financial regulatory bodies, such as the Bank for International Settlements, the Basel Committee on Banking Supervision and the Financial Stability Board, is limited to advanced economies and a number of major emerging market economies.

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[33] See Financial Stability Board, "FSB reports to G20 on progress of financial regulatory reforms", press release No. 30/2013 of 19 April 2013.

[34] Fourteen member jurisdictions have issued final Basel III-based capital regulations and 11 of them now have final Basel III capital rules in force. Five jurisdictions (comprising 10 member countries) have published their draft regulations. To maintain a level playing field and prevent arbitrage, the Basel Committee on Banking Supervision is assessing both the consistency of national regulations with the Basel III agreement and the consistency of the outcomes on banks (Financial Stability Board, April 2013).

V. Official development assistance

43. The landscape of international financial and technical cooperation, like that of private financial markets, has changed significantly in the years since the financial crisis. In marked contrast to the first decade of the millennium, ODA has been falling in real terms for two consecutive years and budgetary pressures in many donor countries indicate that aid levels may stagnate in the medium term. Similarly, efforts to increase the effectiveness of aid have so far yielded only modest results. At the same time, South-South cooperation has exparded rapidly, but so far remains a small fraction of ODA and should not be seen as a substitute for traditional aid. In addition, given the increasing recognition of the vast financing needs of sustainable development, there is increased interest in the role of public resources in leveraging private financing for public goals. Domestic resource mobilization, including the global fight against tax evasion and avoidance, is also an important factor in this respect.

44. These changes have had an impact on the role of official assistance in meeting global development goals. The scope of international public finance, like that of public finance in national economies, should have redistributive, allocative and stabilizing purposes. First, it should help to meet global development goals, such as the eradication of poverty. Second, it should address market failures and facilitate the public provision of goods that are not sufficiently provided by the private sector (e.g. financing of the global commons). Third, it should contribute to international financial and macroeconomic stability, for example, by providing a global safety net through IMF facilities. The changing landscape of international cooperation suggests that, while the need for ODA as a tool for poverty alleviation and the attainment of development goals has lost none of its urgency, the allocative role of international public finance in leveraging private resources will become increasingly important.

45. ODA will remain critical, especially for least developed countries that require considerable financing in order to meet internationally agreed development goals, including the Millennium Development Goals, but lack domestic savings or access to international capital markets. For this reason, renewed commitments are needed by major donors in order to reverse the decline in ODA and to increase disbursements by 2015.

46. Members of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD) provided $125.6 billion in net ODA in 2012, 4.0 per cent less in real terms than they did in 2011. In addition, aid is increasingly directed towards middle-income countries and away from those countries with the largest Millennium Development Goal implementation gaps. Indeed, aid to sub-Saharan Africa declined by 7.9 per cent in real terms, to $26.2 billion, and aid to the least developed countries fell by 12.8 per cent in real terms, to about $26 billion. ODA is also expected to stagnate over the medium term. The most recent OECD survey on donors' forward spending plans suggests that gross receipts of country programmable aid by developing countries will increase in real terms in 2013, but remain flat between 2014 and 2016.

47. Budget cuts in donor countries have also had a negative impact on aid predictability, which is critical for aid effectiveness. The OECD survey finds that donors disbursed 5 per cent less aid than planned in 2010 and 8 per cent less in

2011. This represents a marked deterioration from 2009. Overall, the track record on the implementation of the principles set out in the Paris Declaration on Aid Effectiveness is disappointing. At the global level, only 1 of the 13 adopted targets has been met. That said, progress has been made towards achieving many of the remaining targets, especially in the case of indicators where responsibility lies primarily with developing countries.

48. At the same time, several non-Development Assistance Committee donors, including Turkey and the United Arab Emirates, have dramatically scaled up their aid. This reflects the increasingly important role of South-South development cooperation, which also involves trade, loans, technology-sharing and direct investment. South-South development cooperation does not usually contain explicit policy conditions, but is sometimes focused on investments and not necessarily dedicated to alleviating poverty or fulfilling social needs. South-South development cooperation is estimated to have reached between $12.9 billion and $14.8 billion in 2010, and is expected to increase further, with major increases planned by China, India and Venezuela (Bolivarian Republic of). Expanding South-South cooperation may help to cushion the fall in aid receipts from traditional donors, but should nonetheless not be seen as a substitute for traditional aid flows.

49. As the issues of environmental degradation and climate change have become increasingly urgent, climate financing has taken centre stage. However, despite significant synergies with other areas of financing for sustainable development, to date climate financing has largely evolved on a separate track from conventional development finance. In the coming years, it will be necessary to scale up and better incorporate climate financing into the broader global framework for financing for sustainable development, while ensuring that new funds for climate financing are additional to existing ODA commitments.

50. New and innovative sources of finance can make a key contribution. It has been estimated that between $400 billion and $450 billion per year could be raised through international taxes on financial transactions and carbon emissions and through the use of SDRs.[8] However, it is important to ensure that such resources are additional to existing ODA.

51. At the same time, it is clear that official financing will be insufficient in terms of meeting necessary long-term investments in infrastructure and technology and riskier investments such as those in low-carbon technologies and innovation and in terms of protecting the global commons. There are a number of ways in which the official financing sector can complement and leverage private finance, including through direct financing, cofinancing, risk mitigation tools such as guarantees, capacity-building and other advisory support initiatives that enhance project development and other measures that enhance the investment climate. Such mechanisms can be implemented at the global, regional or national levels. As such, multilateral, regional and national development banks can all play an important role.

52. Ultimately, countries should aim to achieve the levels of domestic resource mobilization needed for development. In this respect, a fair and effective domestic tax system is key. For resource-rich countries, transparency in the extractive industries is pivotal in ensuring that economic activities by multinational entities are taxed appropriately and that public revenue is spent on sustainable development. International efforts should focus on curtailing illicit financial flows, including cross-border tax avoidance and evasion and transfer mispricing. In the Lough Erne

Declaration, adopted at the Group of 8 (G8) Summit held in June 2013,[35] G8 members reiterated the importance of information exchange in enabling developing countries to collect taxes owed to them. Other positive developments in this area, such as the ongoing work of OECD on base erosion and profit shifting and efforts in other international forums, such as the World Bank Group, the United Nations and IMF, should ensure that such processes are accessible and beneficial to all countries, especially developing countries.

VI. Multilateral reform

A. Global financial safety nets

53. The capacity of the multilateral system to provide liquidity in times of systemic crisis is an important element in ensuring global financial stability. A reliable global financial safety net could also reduce the incentive for countries to accumulate reserves as a form of self-insurance against adverse shocks.

54. IMF has made several reforms to its lending facilities, with a view to increasing the flexibility of its financial arrangements. This new flexibility in the Fund's lending framework seeks to allow for more effective responses to the varying circumstances of member countries. For example, the Fund has introduced several new facilities since the crisis, including the Flexible Credit Line, which provides large and up-front access to IMF resources for members with very strong fundamentals and institutional policy frameworks and a track record of, and a commitment to, implementing very strong policies,[36] and the Precautionary and Liquidity Line, which provides financial support to countries with sound policies but moderate vulnerabilities,[37] with focused ex-post conditionality in order to address these remaining vulnerabilities. In addition, the Fund's previous instruments for emergency assistance have been consolidated under its new Rapid Financing Instrument, which can be used to support a range of urgent balance-of-payments needs without the need for a fully fledged Fund programme.[38]

55. IMF has also refined the overall lending framework for low-income countries with a view to increasing the flexibility of existing instruments, including by relaxing timing restrictions on access under the Standby Credit Facility, providing options for Extended Credit Facility arrangements with longer initial durations, increasing flexibility in the phasing of disbursements, and easing the Poverty Reduction Strategy documentation requirements of the Extended Credit Facility and the Policy Support Instrument. In addition, the Rapid Credit Facility, which was created under the Poverty Reduction and Growth Trust, provides a disbursement with limited conditionality for low-income countries. Given the global interest rate environment, with interest rates close to zero in many countries, a new interest rate mechanism was introduced to ensure the concessionality of IMF financing to low-income countries. In this context, temporary interest rate relief was also approved by setting the interest rate on all concessional loans at zero until the end of 2014.

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[35] Available from www.gov.uk.

[36] See Flexible Credit Line factsheet. Available from www.imf.org/external/np/exr/facts/fcl.htm.

[37] See Precautionary and Liquidity Line factsheet. Available from www.imf.org/external/np/exr/facts/pll.htm.

[38] See Rapid Financing Instrument factsheet. Available from www.imf.org/external/np/exr/facts/rfi.htm.

56. The challenge ahead is to preserve the Fund's ability to provide financial support to low-income countries in the face of a prospective drop after 2014 in its capacity for concessional lending, especially in the Poverty Reduction and Growth Trust. In September 2012, the IMF Executive Board approved a partial distribution of the general reserves attributed to gold sales profits, with the aim of making the Trust sustainable in the longer term.

57. Altogether, the global financial safety net has continued to evolve towards a multilayered structure comprising global, regional and bilateral components.[39] For example, the bulk of the liquidity needed to ease funding pressures during the financial crisis was provided through a series of ad hoc arrangements among key central banks. The involvement of major central banks will remain pivotal for a functioning and sufficient global financial safety net. Calls for the creation of a more permanent framework of liquidity lines among key central banks should therefore be given consideration.

58. Regional financing arrangements can play an increasingly important role in the global financial safety net. Such arrangements have the advantage of close ties between borrowers and lenders, which may allow for the provision of support to countries and boost programme ownership. An important development in this regard was the establishment, in February 2012, of the European Stability Mechanism, which replaced two earlier temporary European Union funding mechanisms and which, to date, has approved two financial assistance facility agreements, with Cyprus and Spain, respectively. Enhancing cooperation and increasing complementarities between IMF and regional financing arrangements is important for global financial stability and sustainable growth. The G20 Principles for Cooperation between IMF and Regional Financing Arrangements, and the IMF stocktaking paper on its engagement with regional financing arrangements may provide a basis for enhanced cooperation in this regard.

59. However, a global mechanism for ensuring the swift and sufficient availability of substantial resources in order to stabilize market conditions in times of systemic liquidity crisis continues to be lacking. Efforts to further strengthen crisis-lending facilities should therefore focus on enhancing the various layers of the global financial safety net and strengthening coordination and consistency among the mechanisms at different levels. A key element in strengthening the global financial safety net is closer cooperation among IMF, national central banks and regional and subregional mechanisms. In this regard, a stronger role for IMF in coordinating and managing the various layers of the global financial safety net system might be envisaged.

B. Multilateral surveillance and policy coordination

60. In recent years, the IMF has taken a number of important steps to strengthen the quality and coverage of its surveillance activities, including placing greater emphasis on cross-border and cross-sectoral linkages and paying closer attention to the spillover effects of economic policies in the world's largest economies and to linkages between the financial sector and the real economy. The latest triennial

[39] See Pradumna B. Rana, "The evolving multilayered global financial safety net: role of Asia", S. Rajaratnam School of International Studies Working Paper, No. 238 (Singapore, 2012). Available from www.rsis.edu.sg/publications/WorkingPapers/WP238.pdf.

surveillance review, completed in October 2011, found that IMF surveillance remained fragmented, with a lack of depth in risk assessments and insufficient focus on interconnections and transmission of shocks. In response, in July 2012 the IMF Executive Board adopted the decision on bilateral and multilateral surveillance (integrated surveillance decision), with a view to strengthening the legal framework for surveillance. This decision, which took effect in January 2013, makes consultations under article IV of the IMF Articles of Agreement a vehicle not only for bilateral surveillance, but also for multilateral surveillance, and allows for discussions on the full range of spillover effects of member countries' policies on global economic and financial stability. Furthermore, the decision defines, for the first time, the scope and modalities of multilateral surveillance, including by providing a framework for potential multilateral consultations.[40]

61. Multilateral surveillance was further enhanced by a pilot external sector report on the world's largest economies. This report expands IMF external stability assessments beyond exchange rates to include a broad and multilaterally consistent analysis of the external sector of the world's largest economies. In the light of increasingly interconnected economies and financial systems, such in-depth periodic external sector evaluations are a critical aspect of multilateral surveillance. In addition, developing countries have emphasized that the effectiveness of surveillance depends on the quality and even-handedness of the analysis and advice provided.

62. IMF has also increased its focus on the impact of risks to global stability emanating from the financial sector. A new financial surveillance strategy lays the foundation for developing a unified macrofinancial framework that takes account of the interdependencies of financial sectors and of linkages and interactions between macroeconomic and macroprudential policies in the medium term.

63. The evolving international architecture of multilateral surveillance and policy coordination is based on close collaboration among IMF, the G20, the Financial Stability Board and standard-setting bodies. One example of such collaboration is the G20 International Monetary and Financial Committee Data Gaps Initiative, which aims to improve the timeliness and accuracy of information on global systemically important financial institutions. One of the stated aims of the Russian Federation's G20 Presidency in 2013 is to work towards further strengthening the IMF surveillance framework and multilateral analysis, including through further work on global liquidity indicators.

64. However, global policy coordination remains ad hoc and piecemeal and largely within the purview of global groupings such as the G20. Recent efforts within the G20 to strengthen policy coordination among the world's major economies represent important steps forward. However, the achievement of global development goals and calls for strengthened policy coherence and coordination among all partners in global development cooperation, as well as macroeconomic coordination, should take into account countries' development needs. While the G20 represents most of the world's population and economy, it excludes many countries, particularly small States, and does not represent the world's poorest and most vulnerable citizens. Multilateral discussions should be institutionalized within the multilateral system, as part of a stronger and more inclusive framework for global economic governance.

[40] See Integrated Surveillance Decision factsheet. Available from www.imf.org/external/np/exr/facts/isd.htm.

Given its universality and unquestioned legitimacy, the United Nations has a central role to play in multilateral cooperation and decision-making. In this regard, it is important that the G20 continues to strengthen, enhance and systematize its engagement with the United Nations.

C. Governance reform in the international financial institutions

65. The 2010 governance reforms of IMF and the World Bank Group are considered important steps towards a more representative, responsive and accountable governance structure. The IMF reform foresees shifts in quota shares to emerging market and developing countries of over 6 per cent, along with greater representation for such countries on the IMF Executive Board. The World Bank Group shareholding reviews, meanwhile, increased the voting power of developing and transition countries in the International Bank for Reconstruction and Development by 4.59 per cent to 47.19 per cent.[41]

66. The 2010 IMF quota reform ratification process has advanced, with two of the three thresholds that need to be reached in order for the reforms to take effect having now been passed. With regard to the remaining threshold, as of 10 July 2013, 140 members representing around 76 per cent of total voting power had consented to ratify the changes to the IMF Articles of Agreement, thereby falling short of the 85 per cent needed. In this context, the IMF Managing Director urged member countries to quickly ratify the measures needed to implement this important agreement. In addition, the IMF Executive Board completed its review of the quota formula in January 2013 and has committed to continuing these discussions with a view to arriving at a new quota formula as part of its work on the Fifteenth General Review of Quotas, to be concluded by January 2014.

67. Complementary discussions by the G20 have contributed to the process. In its communiqué of 19 April 2013, the G20 highlighted that completion of the ongoing reforms of IMF governance is indispensable for enhancing its credibility, legitimacy and effectiveness, while the distribution of quotas based on the new formula should better reflect the changing relative weights of IMF members in the world economy.

68. Another important component of IMF governance reform was the adoption of changes to the procedures for selecting the fund's Managing Director. The new procedure adopted for the 2011 selection process allowed the selection of the current Managing Director to take place in a more transparent manner.[42] In an important change, IMF Governors — usually finance ministers or central bank governors of member countries — are now able to nominate candidates for the post of Managing Director. This had hitherto been restricted to members of the IMF Executive Board.

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[41] See World Bank, "World Bank Group voice reform: enhancing voice and participation of developing and transition countries in 2010 and beyond", background document prepared by World Bank staff for the Development Committee Meeting, April 2010. Available from http://siteresources.worldbank.org/DEVCOMMINT/Documentation/22553921/DC2010-006(E)Voice.pdf.

[42] See IMF, "Managing Director (MD) Selection", 18 June 2012. Available from www.imf.org/external/np/exr/faq/mdselection.htm.

VII. Sovereign debt restructuring

69. After a hiatus of over a decade, the ongoing debt crisis in the eurozone has once again highlighted gaps in the international financial architecture with regard to timely and effective solutions to sovereign debt distress. Debates on sovereign debt restructuring have direct implications for the financing of sustainable development, as countries with unsustainable debt burdens spend a large proportion of public resources — resources that could otherwise be spent on development goals — on debt servicing. In addition, uncertainty surrounding sovereign debt restructuring increases both country-specific and systemic risks.

70. For the first time, debt overhangs are more pronounced in developed countries than in developing countries. Developing countries are currently running historically low public-debt-to-GDP ratios, posing virtually no systemic risks. In 2012, public debt as a percentage of GDP in developing countries as a whole was 45.9 per cent.[43] Many low-income countries in sub-Saharan Africa have benefited from comprehensive debt relief programmes including the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI) over the past two decades. Nonetheless, sovereign debt challenges remain in some small States and low-income countries. The problem is most acute among countries in the Caribbean, which were negatively impacted by the financial crisis owing to strong links with the United States and Europe, a high dependence on tourism and the erosion of trade preferences. In response to the slowdown in growth, several countries ran fiscal deficits and increased borrowing. As a result, in 2013 Belize, Grenada, Jamaica and Saint Kitts and Nevis all sought to restructure portions of their debt.

71. In contrast, public debt as a percentage of GDP in OECD countries jumped from around 70 per cent in the 1990s to almost 110 per cent in 2012. This increase in debt levels has been accompanied by downgrades of credit ratings in some countries, which for years carried AAA ratings. In particular, debt problems in Europe have once again highlighted the interlinkages between sovereign debt problems and the financial sector. Given the size of sovereign debt generally held by the banking system, sovereign debt crises can trigger bank runs and/or banking crises, potentially leading to regional or global contagion. Similarly, given the prevalence of too-big-to-fail institutions that can require Government bailouts, banking crises can trigger sovereign debt distress, with potential systemic implications owing to regional and international holdings of debt. This has opened new sets of challenges in managing debt problems and international financial stability.

72. A central issue for domestic and international economic policy is how to reduce the occurrence of sovereign debt problems in both developing and developed countries. First and foremost, responsible lending and borrowing in order to reduce the chance of debt distress is crucial. Governments need to make regular use of analytical tools aimed at assessing alternative borrowing strategies, to better manage their assets and liabilities and to restrain from irresponsible borrowing. At the same time, lenders need to better assess credit risk, to improve credit screening and to reduce irresponsible lending to high-risk countries.

[43] See United Nations, *MDG Gap Task Force Report, 2013* (forthcoming).

73. Nonetheless, debt distress does occur and can be costly. When debt burdens become excessive, there is a need for an effective mechanism that minimizes economic and social costs, enables countries to restructure their obligations in an effective and fair manner and gives countries a clean slate so that they may resume growth and investment. For countries with market access, the current system has relied on voluntary approaches to writing down debt, such as the inclusion in bond issues of collective action clauses, which are intended to resolve some of the creditor coordination issues in debt restructuring. However, collective action clauses are incorporated only in bond issues and do not therefore address issues of priority for all creditors, including commercial banks and other providers of non-bonded lending. Furthermore, aggregation problems arise when more than one series of bond issues are involved in the restructuring. The benefit of collective action clauses in creditor coordination is further limited, as holdout creditors still have the ability to take blocking positions in individual bond issues.[44]

74. For low-income countries, the HIPC Initiative and MDRI, while important initiatives, accounted for debt relief as development assistance, thereby sidestepping the broader issue of how to address issues associated with debt overhang in a comprehensive manner. The international community has agreed to certain broad principles for debt restructuring, including "fair burden-sharing" between debtors and creditors, as per the Monterrey Consensus of the International Conference on Financing for Development,[45] and "legal predictability", as per the Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus.[46] However, these principles have yet to be institutionalized in concrete practices.

75. The lack of an international bankruptcy procedure for sovereign debt restructuring has implications for the cost and speed of the resolution of debt problems. Historically, it has been shown that this delay in restructuring can be extremely costly.[47] A lack of legal predictability creates uncertainties for both debtors and creditors and raises important issues of equity. Recently, the issue of holdout creditors has elicited international concern, with litigation against Argentina potentially increasing the leverage of holdout creditors, thereby undermining the sovereign debt restructuring process.

76. The international community should more actively pursue the development of an agreed rules-based approach to sovereign debt workouts in order to increase predictability and the timely restructuring of debt when required, with fair burden-sharing, including by potentially providing a "safe harbour" for social protection floor outlays in the budget. Such an approach would reduce risk in the global financial system and free up resources for investment in sustainable development.

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[44] See IMF, "Sovereign debt restructuring: recent developments and implications for the Fund's legal and policy framework", 26 April 2013. Available from www.imf.org/external/up/pp/eng/2013/042613.pdf.

[45] See *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex, para. 51.

[46] See General Assembly resolution 63/239, annex, para. 60.

[47] See Barry Herman, José Antonio Ocampo and Shari Spiegel, *Dealing Better with Developing Country Debt* (Oxford University Press, 2010).

VIII. Conclusions

77. **The estimated financing needs of sustainable development, while large, still represent a relatively small portion of annual flows of global savings. The challenge lies in promoting a financial system that channels investments towards sustainable global development.**

78. **Foreign exchange reserves have grown over the past few decades, fuelled to an extent by the desire for self-insurance against global systemic risks. The accumulation of such reserves represents a form of constrained saving, since it prevents funds from being deployed for development purposes, and exacerbates global imbalances and risks. Policies to address these issues could look at, inter alia, increasing SDR issuance, reducing global risks and strengthening the global financial safety net.**

79. **Private capital flows to developing countries remain volatile and short-term oriented. Increasing attention is therefore being given to capital account management. In addition, steps to reduce the volatility of such flows should be taken in source countries and international coordination of monetary policies and management of global liquidity should be improved. Consideration should also be given to incentivizing longer-term investments by bankers and institutional investors.**

80. **In order to effectively facilitate investments in sustainable development, financial regulation needs to be viewed in a broader context than is currently the case. In addition to a focus on stability, more attention should be given to promoting access to finance and ensuring that the financial sector promotes stable long-term sustainable growth.**

81. **Global ODA has declined in real terms over the past two years and is expected to stagnate in the medium term. At the same time, South-South cooperation has expanded rapidly, but should not be seen as a substitute for traditional aid. While the need for ODA as a tool for poverty alleviation has lost none of its urgency, given the size of financing needs, the role of official financing in leveraging private resources will become increasingly important.**

82. **Another important issue that pertains to the enhancing of international financial stability is the strengthening of multilateral surveillance by IMF and the global financial safety net. In recent years, IMF has taken a number of steps to strengthen its surveillance activities, including increasing its focus on cross-border and cross-sectoral linkages. A key element in this regard is closer cooperation among IMF, national central banks and regional and subregional mechanisms.**

83. **The 2010 governance reforms of IMF and the World Bank Group are considered important steps towards a more representative, responsive and accountable governance structure. However, according to many developing countries, these measures fall short of the objective of achieving fully legitimate representation of all countries, including the least developed countries. Moreover, the challenge now is to implement the agreed reforms in a timely manner.**

84. **The ongoing debt crisis in the eurozone has once again highlighted gaps in the international financial architecture with regard to sovereign debt distress.**

Countries with unsustainable debt burdens spend a large proportion of public resources — resources that could otherwise be spent on development goals — on debt servicing. Uncertainty surrounding sovereign debt restructuring increases both country-specific and systemic risks. The international community should more actively pursue the development of an agreed rules-based approach to sovereign debt workouts.

United Nations A/68/222

General Assembly

Distr.: General
30 July 2013

Original: English

Sixty-eighth session
Item 63 (a) of the provisional agenda*
New Partnership for Africa's Development: progress in implementation and international support

New Partnership for Africa's Development: eleventh consolidated progress report on implementation and international support

Report of the Secretary-General

Summary

The present report, submitted in response to General Assembly resolution 66/286, coincides with the fiftieth and tenth anniversaries of the founding of the Organization of African Unity (the predecessor of the African Union) and the African Peer Review Mechanism, respectively. In commemoration of those milestones, African Heads of State and Government declared 2013 the Year of Pan-Africanism and the African Renaissance, with the African Union Commission organizing year-long celebrations. The New Partnership for Africa's Development (NEPAD), launched more than 10 years ago, specifically embodies pan-Africanism, given that it was the instrument in which African leaders expressed their commitment to and ownership of the continent's development programme. The various continental flagship programmes being implemented under NEPAD, including those on infrastructure, agriculture and governance, are key to realizing the vision of an integrated, prosperous and peaceful continent.

* A/68/150.

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Although progress has been made in the past year in accelerating growth and social development, persistent challenges, including limited progress towards the attainment of the Millennium Development Goals, are highlighted herein. Also underscored is the importance for African countries of increasing public investment in order to catalyse private-sector resources, including public-private partnerships for the implementation of NEPAD priority programmes, in particular infrastructure and agricultural development. Sustained international support will be crucial if Africa is to meet internationally agreed development goals, including the Millennium Development Goals, and the ambitious Africa 2063 vision. To this end, development partners should redouble efforts to deliver on their commitments to the continent's development, including those relating to aid. In addition, urgent action is needed to end the impasse in the Doha Round of trade negotiations by reaching agreement on specific issues, especially those of concern to Africa. All stakeholders need to make a strong push towards the Goals in Africa, the only region that is unlikely to attain them by 2015. In this regard, the upcoming special event of the General Assembly to follow up on efforts made towards achieving the Goals affords Member States a timely opportunity to recommit themselves to accelerated implementation. The launch of the United Nations monitoring mechanism to review the implementation of commitments made to the continent's development is likely to catalyse efforts towards their full delivery.

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I. Introduction

1. The present report is submitted in response to General Assembly resolution 66/286, entitled "New Partnership for Africa's Development: progress in implementation and international support".

2. Emphasis is laid herein on the policy measures taken by African countries and organizations in the implementation of the New Partnership for Africa's Development (NEPAD), the response of the international community and the support provided by the United Nations system during the past year. Given that the private sector plays a significant role in the implementation of NEPAD, activities undertaken by it and civil society in support of NEPAD are also highlighted. The report has benefited from information provided by Member States, the African Development Bank, the NEPAD Planning and Coordinating Agency (NEPAD Agency), the secretariat of the African Peer Review Mechanism, the Organization for Economic Cooperation and Development (OECD) and entities of the United Nations Inter-agency Task Force on Africa.

II. Action taken by African countries and organizations

3. NEPAD is an African-owned, African-led and African-managed socioeconomic development framework. As such, it represents a paradigm shift in the way that African Governments and peoples conceive their development. As the year-long celebrations continue in commemoration of the fiftieth anniversary of the founding of the Organization of African Unity, African countries must recommit themselves to implementing NEPAD priority programmes as the embodiment of the spirit of pan-Africanism. The draft Africa 2063 vision under consideration by the African Union recognizes industrialization as vital for the economic and political revival of Africa. Realizing the vision of an African renaissance hinges on the effective implementation of the key sectoral priorities of NEPAD.

4. Within the NEPAD context, each country is expected to design its own national development framework consistent with NEPAD goals and assume responsibility for implementing NEPAD sectoral priorities at the national level. Twelve years since the adoption of NEPAD, African countries will need to further galvanize political will to move projects to the implementation stage and mobilize the necessary funding. In addition, the regional economic communities, which are the core institutions for African economic integration, play a leading role in implementing projects at the subregional level. The NEPAD Agency is instrumental in supporting the implementation of programmes and projects. It must have sufficient funding to enable it to effectively implement its strategic framework for the period 2014-2017 and to support the implementation of continental programmes and projects.

A. Infrastructure

5. Recognizing the challenge that poor infrastructure poses for development, African countries, through the adoption of the Programme for Infrastructure Development in Africa, committed themselves to making infrastructure development the top priority action for development.

6. To meet their commitments, African countries continued to step up their efforts over the past 12 months to accelerate infrastructure development through the implementation of the Programme, whose objective is to transform Africa through the development of modern infrastructure in the sectors of transport, energy, information and communications technology and transboundary waterways.

7. An emerging trend that bodes well for the sustainability of infrastructure development in Africa is the increasing reliance on domestic resources for financing infrastructure projects. Roughly half of the $93 billion that the World Bank estimates will be required per annum to close the infrastructure gap in Africa has been spent on infrastructure, with the bulk coming from African countries. Several countries, including Kenya and South Africa, have issued bonds to raise money for infrastructure financing.

8. To make infrastructure development a priority for development, African countries continued to implement the Priority Action Plan of the Programme for Infrastructure Development in Africa, which comprises 51 continental and regional projects, including 7 implemented under the Presidential Infrastructure Champion Initiative and spearheaded by several African Heads of State and Government. During the period under review, the NEPAD Agency sought to galvanize political support in order to accelerate the implementation of the projects.

9. The projects are at various stages of implementation, with some at the feasibility/needs assessment stage and others at the project structuring and promotion stage, at which funding will be sought. Few have reached the implementation and operation stage. Progress has been made in the project to complete the missing links of the Trans-Sahara Highway, which would link Algeria and the Niger. The structuring of the project has been finalized. While the launch of the construction process has been delayed by lack of finance, efforts are being made to mobilize the required resources. The fibre-optic component of the project, linking Algeria, the Niger and Nigeria through a submarine cable, has also seen substantial progress, as evidenced by the installation of 700 km of the 2,700 km of cable required.

10. Progress has, however, been relatively slow in a project to build a road-rail bridge to link Brazzaville and Kinshasa, championed by the Congo and the Democratic Republic of the Congo. The project is in the needs assessment stage, with the feasibility study scheduled for completion later in 2013.

11. Encouraging progress has been made in a trans-Saharan gas pipeline project championed by Nigeria. The project has advanced to the structuring and promotion stage and private and financial institutions have been engaged for funding. The Government of Nigeria has pledged funding in the amount of $400 million for the project. An interministerial team has also been set up to coordinate and oversee implementation. Construction is scheduled to begin in September 2013.

12. The North-South Corridor, championed by South Africa, is the largest project, encompassing nine separate projects cutting across various infrastructure sectors, including road, rail, ports and energy, and covering eight countries in Southern, East and North Africa. Two of the nine projects are nearing the implementation stage. Funding is being mobilized from regional and multilateral agencies and the Government of South Africa is planning to organize roadshows to promote the projects.

13. Egypt has also joined the initiative as the champion of a project that entails the development of a navigational route from Lake Victoria via the Nile River through the Mediterranean Sea to Alexandria in Egypt, traversing Burundi, Ethiopia, Kenya, South Sudan and Uganda. Given that the project was conceived only recently, it is at the pre-feasibility stage.

14. Progress has also been made in other projects in all sectors. The Grand Ethiopian Renaissance Dam has seen substantial progress, with the construction phase launched. Once completed, the dam will enable Ethiopia to generate 5,250 MW of electric power for domestic supply and export to the Eastern Africa Power Pool.

15. Furthermore, during the period under review, the NEPAD Agency worked to strengthen stakeholders' capacity with regard to renewable energy and to support the development of an African response to the Sustainable Energy for All initiative of the Secretary-General, including an action plan and a strategy for a decentralized energy system. A coordination hub has been set up at the African Development Bank. African countries are also looking into tapping into their vast uranium resources to promote the development of nuclear energy.

16. At the World Economic Forum on Africa, held in Addis Ababa in May 2012, the Forum, in partnership with the African Development Bank, formed a business working group on infrastructure in Africa, comprising private companies, multilateral development banks, non-governmental organizations and regional experts. It was endorsed by the Assembly of the African Union at its twentieth ordinary session, in January 2013. It could provide impetus for the implementation of the Programme for Infrastructure Development in Africa by mobilizing private-sector financing for infrastructure projects.

17. Once completed, projects under the Programme for Infrastructure Development in Africa will provide the high-quality regional infrastructure vital to facilitating the flow of goods, services and persons throughout the continent. They will also lead to improved regional cooperation and integration and boost intra-African trade. Landlocked African countries are likely to experience a reduction in transport costs resulting from improved access to seaports and improved infrastructure in transit countries.

B. Agriculture and food security

18. African countries have undertaken several important commitments in order to promote agricultural development and food security. Within the context of the Declaration on Agriculture and Food Security in Africa, they committed themselves to allocating at least 10 per cent of national budgetary resources to agriculture and, through the Comprehensive Africa Agriculture Development Programme (CAADP), to achieving a 6 per cent growth rate in agricultural productivity per annum. Furthermore, in the context of the United Nations Millennium Declaration, they committed themselves to halving, by the year 2015, the proportion of people suffering from hunger. To tackle the problem of food insecurity, which remains pervasive in the region, they have undertaken to mainstream nutrition in their national agriculture investment plans.

19. CAADP, as the framework for agricultural development on the continent, has steadily grown in importance as a result of increasing participation. As at June 2013,

40 African countries had engaged in the CAADP process, of which 30 had signed CAADP compacts and 23 had finalized their national agriculture investment plans. Furthermore, the investment plans of 15 countries had been significantly financed. These data show that most African countries have formalized CAADP compacts, thereby certifying national agricultural development priorities identified through what strives to be a participatory and rigorous planning exercise.

20. African countries continue to make progress in the implementation of their CAADP commitments. With regard to the target of allocating at least 10 per cent of national budgetary resources to agriculture set out in the Declaration on Agriculture and Food Security in Africa, steady progress continues, with eight countries surpassing the target as at June 2013, compared with six in the previous period. Even those countries that have not met the target have made progress. As to the target of achieving a 6 per cent growth rate in agricultural productivity per annum, 10 countries have surpassed it and another 4 have achieved growth of between 5 and 6 per cent.

21. Over the past 12 months, the NEPAD Agency focused efforts on building national capacity and institutions for CAADP implementation. It supported Botswana, Cameroon, the Comoros, Lesotho, Madagascar, Mauritius, South Africa and Zimbabwe in the preparation of CAADP compacts. Technical support was also provided to countries in the preparation of their national agriculture and food security investment plans.

22. Recognizing the important role of fertilizer use in increasing agricultural productivity, the NEPAD Agency also supported countries in integrating fertilizer usage into their national agriculture and food security investment plans. In that regard, the Agency is finalizing a study on fertilizer use and will work to ensure effective follow-up on its policy recommendations.

23. Given that a key ingredient for the successful implementation of CAADP at the country level is the involvement of stakeholders, the NEPAD Agency made efforts to increase their participation. Progress was made in the preparation of guidelines for the participation of non-State actors. African farmers, working through the Pan-African Farmers Forum, prepared a strategic plan that will form the basis for their engagement in the CAADP process.

24. Challenges continue to bedevil the implementation of CAADP, including lack of funding and limited capacity at the national level to formulate national agriculture and food security investment plans. In this context, the African Union Commission and the regional economic communities can play a significant role in tackling the capacity constraint.

25. In the declaration of a high-level meeting of African and international leaders on the renewed partnership for a unified approach to end hunger in Africa by 2025 under the CAADP framework, which was adopted in July 2013 in Addis Ababa, African Governments and their development partners committed themselves to ending hunger in Africa by 2025 by mobilizing political will and increasing and reprioritizing public investment in agricultural development, especially to catalyse private investment in the sector. They also agreed to take measures to increase food and agricultural productivity, complemented by social protection.

C. Health

26. African Governments have made various commitments in the area of health, including under the Abuja Declaration on HIV/AIDS, Tuberculosis and Other Related Infectious Diseases, in which they committed themselves to allocating at least 15 per cent of annual national budgets to the improvement of the health sector. They also adopted the Campaign on Accelerated Reduction of Maternal Mortality in Africa to take on the problem of high maternal mortality.

27. During the period under review, the NEPAD Agency continued to promote the African health-care system, with a view to improving maternal and newborn health and survival throughout the continent, through the implementation of the above-mentioned campaign.

28. As a result of increased political commitment, considerable progress has been made in the implementation of the campaign. As at June 2013, 39 countries[1] had committed themselves to it, up from 37 in the previous period. Half of the States members of the African Union have strengthened their health systems, developed a monitoring and evaluation system and created integrated HIV, reproductive health and family planning services. In some countries, the campaign has been used to mobilize additional resources for maternal and newborn health. According to the 2013 report on the campaign,[2] 73 per cent of the countries that have launched the campaign have developed national road maps for implementation, while 58 per cent have introduced national mortality audits. The campaign has also become a platform for mobilizing commitments and support for the Global Strategy for Women's and Children's Health.

29. Progress towards meeting the target set out in Abuja Declaration of allocating at least 15 per cent of annual national budgets to the improvement of the health sector has been slow, however. As at the end of 2012, Botswana, Burkina Faso, Malawi, the Niger, Rwanda and Zambia had reached the target, with just over half of all African countries reporting that they had allocated 9 per cent or more of their national budgets to health.

30. In response to the request of the African Union in January 2012, the African Union Commission and the NEPAD Agency launched a road map on shared responsibility and global solidarity for AIDS, tuberculosis and malaria response in Africa, covering the period 2012-2015. It laid a path to reinforce African leadership, boost local pharmaceutical industries, accelerate regional harmonization and integration initiatives, strengthen health systems and promote new forms of development cooperation.

31. A model law on medicines regulation and harmonization was developed in collaboration with the Pan-African Parliament, the African Union Commission and the World Health Organization. The African Medicines Regulatory Harmonization

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[1] Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, the Central African Republic, Chad, the Comoros, the Congo, the Democratic Republic of the Congo, Equatorial Guinea, Eritrea, Ethiopia, Gabon, the Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Malawi, Mauritania, Mozambique, Namibia, the Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Swaziland, Togo, Tunisia, Uganda, the United Republic of Tanzania, Zambia and Zimbabwe.

[2] Available from http://esaro.unfpa.org/webdav/site/africa/users/Lbarnes/public/Carmma%20report%202013.pdf.

initiative is working to strengthen the legislative environment for harmonization of medicines regulations in Africa and to mobilize stakeholders to respond to the absence of laws, and/or weak laws, so as to empower countries to regulate medicines effectively.

32. Progress has been evident in efforts to combat HIV/AIDS, the minimal setbacks notwithstanding. Africa has cut AIDS-related deaths by one third in the past six years. In West and Central Africa, Ghana achieved the largest reduction (66 per cent), followed by Burkina Faso (60 per cent) and Djibouti (58 per cent). The Central African Republic, Gabon, Rwanda and Togo achieved significant reductions (more than 50 per cent). Other countries in the region with significant reductions include Burundi, Cameroon, Mali and Sierra Leone, where rates fell by more than one third. Ethiopia has achieved a reduction of 90 per cent in the rate of new HIV infections in the past decade.

33. Continuing progress in the health sector notwithstanding, African countries face numerous health-related challenges. The availability of health personnel remains low. Although bearing as much as 27 per cent of the global burden of disease, sub-Saharan Africa has only 3 per cent of the world's health workers. World Health Organization projections identify a shortfall of 800,000 health workers throughout 31 sub-Saharan African countries by 2015. The shortage has many causes, including past investment shortfalls in pre-service training, international migration, premature retirement, morbidity and premature mortality.

D. Education and training

34. African Governments are committed to supporting the Millennium Development Goals of universal primary education and gender equality in education, in addition to the Dakar Framework for Action on Education for All. Stronger and better education is a key objective for human resource development. The NEPAD Agency is working to implement the Education for All in Africa initiative, which is designed to fall within the framework of the Second Decade of Education for Africa (2006-2015) and the Goals.

35. Since the World Education Forum was held in Dakar in 2000, considerable progress has been made in efforts towards education for all in Africa, in particular with regard to universal primary education. According to the United Nations Educational, Scientific and Cultural Organization (UNESCO),[3] net enrolment ratios increased from 58 per cent in 1999 to 76 per cent in 2010. Enrolment in secondary education more than doubled in that period, increasing from 20.8 million to 43.7 million. With, on average, 84 per cent of school-age children completing primary education in the Southern African Development Community, above the sub-Saharan Africa average of 70 per cent, universal primary education remains within reach for most of the region. In both the East African Community and the Economic Community of Central African States, primary education completion has increased by 50 per cent overall. Thirteen African countries had completion rates above 90 per cent in 2012.

[3] See www.unesco.org/new/fileadmin/MULTIMEDIA/FIELD/Dakar/pdf/SSARegional_Reportnov2012.pdf.

36. African countries recognized the added value of the Global Education First Initiative in accelerating progress towards education goals, seeing it as an important platform to mobilize stronger political commitment to and financial support for the education sector, in particular in the wake of the global economic downturn. It aims at generating renewed efforts to achieve internationally agreed education goals by 2015 with a focus on three areas: putting every child into school, improving the quality of learning and fostering global citizenship.

37. The NEPAD Agency continues to promote training, including nursing and midwifery education to promote maternal and infant well-being. During the period under review, progress was made with regard to nursing and midwifery development in Africa. Host and implementing institutions have been identified for the implementation of a NEPAD project on nursing and midwifery education in the Congo and Gabon. In Chad and Gabon, at least 40 nurses and midwives will graduate in 2015, while courses in psychiatric nursing, critical care and trauma are being given in the United Republic of Tanzania. In the Democratic Republic of the Congo, Kenya, Rwanda and the United Republic of Tanzania, some 70 nurses and midwives have been trained in a NEPAD-supported master's degree programme in midwifery, maternal care, child nursing and trauma in the past two years. The staff trained have been deployed to rural areas to provide much-needed care to communities who have not had easy access to hospitals and clinics owing to the remoteness of their homes.

38. The continent continues, however, to face significant challenges in education, including low enrolment and high drop-out rates in primary and secondary schools, gender disparities, poor early childhood care, poor education infrastructure and weak education systems. African Governments must continue to promote education policies that better prepare students with the right skills and opportunities for decent employment.

E. Environment and tourism

39. The NEPAD Agency continued to support the implementation of the action plan of the environment initiative of NEPAD. During the period under review, African countries and subregional organizations increased their efforts to implement flagship programmes of the action plan in the areas of efforts to combat land degradation, drought and desertification, conservation of African wetlands, transboundary water management and management of natural resources.

40. Following the adoption of the outcome document of the United Nations Conference on Sustainable Development, the NEPAD Agency, in collaboration with the African Union Commission and the African Ministerial Conference on the Environment, initiated a process to review the implementation of the action plan with a view to ensuring that it adequately reflected emerging issues identified at the United Nations Conference on Sustainable Development.

41. Progress has also been recorded in the implementation of Climate for Development in Africa, a programme that represents the continent's response to climate change and variability. It is geared towards strengthening the resilience of African countries to climate change by building national, subregional and regional capacity for climate change mitigation and adaptation activities.

42. In collaboration with the African Union Commission and the Community of Sahelo-Saharan States, the NEPAD Agency is supporting the implementation of the Great Green Wall for the Sahara and the Sahel initiative, which is intended to tackle issues in such sectors as land, water, forest management and soil conservation.

43. In the tourism sector, efforts were focused on the implementation of the Tourism Action Plan, which remains the guiding document for African Union and NEPAD tourism activities. It seeks to promote tourism as an important sector in African transformation and development. The sector is expected to contribute greatly to poverty eradication, economic growth and diversification by 2020.

44. Although African tourism is relatively underdeveloped, it holds enormous potential. Africa recorded an increase of 52 million tourist arrivals in 2012, principally as a result of the normalization of the political situation in North Africa and the continued growth of sub-Saharan African destinations.

F. Information and communications technology

45. The NEPAD Agency continued to support African countries in the implementation of actions to promote the development of information and communications technology on the continent. In the period under review, actions focused on two major objectives: the NEPAD e-Africa Programme, intended to connect all African countries with one another and, in turn, with the rest of the world through broadband fibre-optic submarine cables; and the NEPAD e-Schools initiative, intended to equip all African primary and secondary schools with information and communications technology.

46. With regard to infrastructure implementation, contract negotiations were finalized with consulting firms to conduct broadband studies. The studies are under way in East and Southern Africa and are expected to begin in mid-2013 in West and Central Africa. They will culminate in the development of bankable projects and business plans for the implementation of regional cross-border networks and will also inform the development of a geographic information systems database and an interactive map of regional broadband connectivity.

47. The NEPAD Agency also continued to work with African countries in the implementation of the e-Schools initiative. It launched the second phase of the initiative, which works through selected service providers to offer technical support. NEPAD also signed a memorandum of understanding with First Space Fiber to pilot service provision to existing electronic schools in Senegal. Although the evaluation of the impact of the demonstration phase, carried out in partnership with the International Initiative for Impact Evaluation, is not yet available, this collaboration is expected to yield long-term benefits with regard to the development of impact evaluation capacity throughout all programme areas.

48. Progress also continued in the area of electronic applications and services. Thanks to the Information Society Partnership for Africa's Development, relevant solutions and contracts have been arranged to facilitate replication of best practices for electronic applications and services, including in agriculture, commerce, government and health. Given that Africa is a diverse continent with many languages, traditions and customs, however, it is necessary to ensure that solutions are customized to specific country markets.

49. With regard to protection of intellectual property rights and governance of information and communications technology, commendable progress has also been made. A total of 44 countries issued letters of support for the application, endorsed by the African Union, of the ".Africa" top-level domain, whose objective is to create an attractive regional home for the pan-African Internet community, to be submitted to the Governmental Advisory Committee of the Internet Corporation for Assigned Names and Numbers.

G. Science and technology

50. During the past 12 months, the NEPAD Agency continued its work in science and technology through the implementation of its Science and Technology Consolidated Plan of Action, whose two main areas are research and development and mechanisms to improve policy and promote technological innovation on the continent. The NEPAD Agency also worked to forge partnerships and leverage them to promote innovation in Africa.

51. The NEPAD Agency has launched five regional networks of centres of excellence in biosciences to deliver innovative products and services in order to improve livelihoods in Africa: the African Biosafety Network of Expertise, the Southern Africa Network for Biosciences, the West African Biosciences Network, the North African Biosciences Network and Biosciences Eastern and Central Africa.

52. The Africa Biosciences Challenge Fund has been established through Biosciences Eastern and Central Africa and will support research into agricultural constraints in food production, nutrition and animal health. The next step in the process is to ensure sufficient funding from African Governments.

53. Through the African Biosciences initiative, 30 scientists studying for doctoral and master's degrees from the region were trained, with a discernable increase in female research scientists. More than 300 participants benefited from 13 special skills courses in fish farming, mushroom production, technology transfer and commercialization, intellectual property management, project management, information and communications technology and database management, and science communication.

54. Progress also continued in the implementation of technology and innovation policies and strategies through the African Science, Technology and Innovation Indicators initiative, with 32 countries becoming involved. The countries have established trained focal points to coordinate research and development and innovation surveys at the national level. The initiative has also paved the way for new collaboration with partners such as the UNESCO Institute for Statistics. An advisory committee comprising experts from throughout Africa and international organizations has been established by the NEPAD Agency to guide the process.

H. Gender mainstreaming, empowerment of women and civil society participation

55. African Governments made important commitments under the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa, adopted in 2003, and the Solemn Declaration on Gender Equality in Africa, adopted

in 2004. The instruments collectively address the rights of women, including the right to social and political equality with men, to control of their reproductive health and to equality and empowerment in the areas of health, human rights, education, economic development, governance and peace and security. Following the adoption of the African Union Gender Policy in 2009, African leaders launched the African Women's Decade (2010-2020) to promote the implementation of commitments on gender equality and women's empowerment.

56. African countries have made encouraging progress towards meeting their commitments in this regard. In particular, they have made strong progress against their commitment to expand and promote gender parity at the national and local levels of government. In 2012, the proportion of seats held by women in African national parliaments reached nearly 20 per cent, second only to Latin America and the Caribbean. In addition, the continent has made significant strides towards its commitment to ensure the education of girls and achieve the goal of education for all. In 2012, nearly half the countries in Africa had achieved gender parity in primary school, and parity at the secondary and tertiary levels had also improved.

57. During the period under review, the NEPAD Agency continued to provide support to African countries in translating their commitments into projects to advance gender equality and women's empowerment. The NEPAD/Spanish Fund for African Women's Empowerment designed and implemented a results-based monitoring and evaluation framework, and its work plan was aligned with 8 of the 10 themes of the African Women's Decade.

58. The NEPAD Agency provided technical support to African fisheries, resulting in the design of a gender strategy for the NEPAD-Food and Agriculture Organization of the United Nations Fish Programme. Technical and financial support was provided for the design of a project on gender and climate-smart agriculture. In addition, the NEPAD/Spanish Fund for African Women's Empowerment supported peace and security for women in Cape Verde by establishing a network for reporting gender-based violence and training on prevention and awareness. It also successfully implemented a number of projects that benefited women in areas such as agriculture, food security and promotion of small and medium-sized enterprises.

59. While much success was achieved during the reporting period, several challenges hampered progress. The lack of a specific fund dedicated to the institutional strengthening of the African Union and NEPAD, the regional economic communities and gender machineries continues to hinder efforts towards gender mainstreaming at all levels.

60. To scale up progress in the implementation of this agenda, the African Union will require enhanced capacity and support, in addition to increased financial resources, for institutional strengthening of gender mainstreaming and the implementation of its road map within NEPAD and at the national and community levels. Resources can be generated through the creation of a fund for gender mainstreaming. Furthermore, increased collaboration between the NEPAD Agency and States, in addition to the development of accountability tools for implementation and progress reporting by States, would help to strengthen implementation.

I. African Peer Review Mechanism

61. In 2002, in recognition of the negative impact of poor governance on development, African Heads of State and Government adopted the NEPAD Declaration on Democracy, Political, Economic and Corporate Governance, in which they committed themselves to improving institutions of governance and promoting the rule of law.

62. During the period under review, the African Peer Review Mechanism continued to strengthen and institutionalize good political, economic and corporate governance throughout the continent. Chad, the Niger and Tunisia joined the Mechanism, bringing its membership to the following 33 countries (representing more than 76 per cent of African population): Algeria, Angola, Benin, Burkina Faso, Cameroon, Chad, the Congo, Djibouti, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Liberia, Malawi, Mali, Mauritania, Mauritius, Mozambique, the Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, South Africa, the Sudan, Togo, Tunisia, Uganda, the United Republic of Tanzania and Zambia.

63. The United Republic of Tanzania and Zambia were peer-reviewed during the eighteenth Summit of the Committee of Participating Heads of State and Government of the African Peer Review Mechanism (the African Peer Review Forum), held in January 2013, increasing the number of countries reviewed to 17. As at June 2013, Algeria, Benin, Burkina Faso, Ethiopia, Ghana, Kenya, Lesotho, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Sierra Leone, South Africa, Uganda, the United Republic of Tanzania and Zambia had been peer-reviewed. A progress report submitted by Benin on the implementation of its national programme of action was reviewed by the Forum.

64. The year 2013 coincides with the tenth anniversary of the Mechanism. The Mechanism's governing bodies and strategic partners have organized a series of events to raise awareness of it and the importance of its work among African citizens and the international community, while reflecting on progress achieved and the challenges being faced.

65. The Mechanism has established itself as a unique and innovative framework for promoting peace, security and development in line with the principles of transparency, accountability and inclusiveness. It has created a platform for African peer learning and sharing of experiences and best practices, in addition to engendering a more open polity and strengthening government-civic engagement (see A/68/220). The involvement of civil society and other stakeholders in the process has helped to strengthen national programmes of action.

III. Response of the international community: sustaining the momentum in uncertain times

A. Introduction

66. The slow and fragile global economic recovery notwithstanding, growth remained strong in Africa, with gross domestic product (GDP) growing by an average of 6.6 per cent in 2012, according to the *African Economic Outlook 2013*. Oil exporters and low-income African countries registered exceptionally strong

growth performance. The strong growth has not, however, been inclusive or sustainable. Moreover, the unemployment situation, in particular among young people, remains a lingering serious concern and, given the continent's disproportionately high population of young people, threatens long-term political stability.

67. Persistently high unemployment threatens to undermine recent gains made towards social development and derail progress towards the attainment of the Millennium Development Goals in Africa. With little time left until the target date for attainment of the Goals, a strong push will be required to ensure accelerated progress towards the Goals and to sustain the momentum beyond 2015.

68. A global partnership for development, including mainly official development assistance and trade, will be crucial for accelerating efforts to achieve the Goals by 2015, in addition to enabling the implementation of the post-2015 development agenda. As Member States continue to define the contours of the new agenda, ensuring that their efforts fully reflect African needs and priorities, in particular those identified in the African common position on the post-2015 development agenda, will go a long way to strengthening the continent's progress and helping to consolidate its recent development gains.

69. As part of the global partnership for development, the fifth Tokyo International Conference on African Development was held in Yokohama, Japan, from 1 to 3 June 2013 on the theme "Hand in hand with a more dynamic Africa". The participants adopted two outcome documents: the Yokohama Declaration 2013 and the Yokohama Action Plan 2013-2017. Both documents align the Conference agenda for the coming five years with continental priority objectives and initiatives of the African Union and NEPAD. Such alignment will foster implementation of continental programmes in ways that enable Africa to meet its development needs effectively and ensure African ownership and leadership of its development agenda. Japan pledged a financial package of $32 billion, including public and private resources, to finance development projects in Africa under the auspices of the Conference over the coming five years. The projects will be aimed at ensuring accelerated growth, sustainable development and poverty reduction through interventions in key priority areas, including infrastructure, human resource and private-sector development, while simultaneously promoting equity and inclusiveness. The participants also adopted an revised follow-up mechanism that includes the African Union. The involvement of both the African Union and the United Nations in that mechanism is vital for reviewing the implementation of the commitments made at the Conference.

70. The 2013 summit of the Group of Eight, held at Lough Erne, United Kingdom of Great Britain and Northern Ireland, was convened against the backdrop of an uncertain global economic outlook marked by slow recovery and fragility in the financial sector. The States members of the Group committed themselves to working to support global economic recovery and job creation, especially for the young and long-term unemployed, by supporting demand, managing public finances and reforming their economies. In the outcome document of the summit, they committed themselves to taking measures in three areas crucial for development: tax systems, transparency and trade. They also reaffirmed their commitment to CAADP as the guiding framework for agricultural transformation in Africa, recognizing the New Alliance for Food Security and Nutrition as a means to increase private-sector investment in support of CAADP country investment plans.

71. During his recent visit to Africa, the President of the United States of America, Barack Obama, unveiled two key initiatives. The first, "Power Africa", is a package worth $7 billion to help Africa to overcome its energy shortage. It includes $1.5 billion from the Overseas Private Investment Corporation and $5 billion from the Export-Import Bank of the United States. The preliminary set-up will include Ethiopia, Kenya, Liberia, Mozambique, Nigeria, Uganda and the United Republic of Tanzania. It is likely to catalyse further private investment in the sector. The second initiative, "Trade Africa", is intended to boost trade within Africa, beginning with the East African Community.

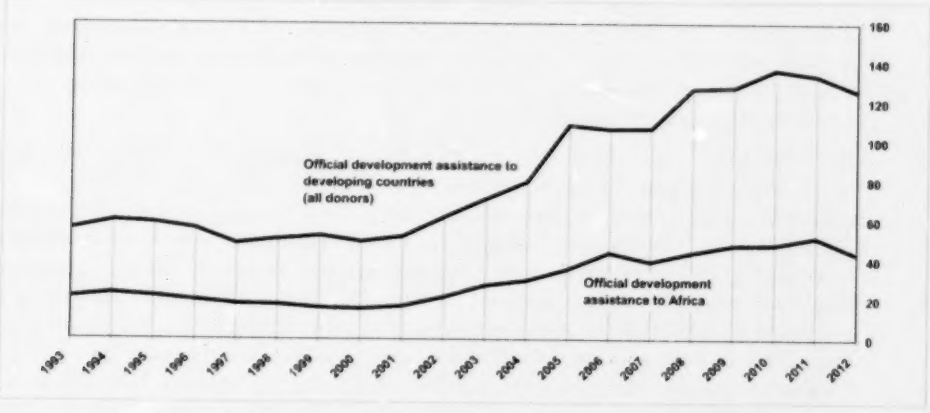
72. The General Assembly, in its resolution 66/293, decided to establish a United Nations monitoring mechanism to review commitments made towards Africa's development. The Office of the Special Adviser on Africa will serve as its secretariat. The mechanism will complement global efforts focused on monitoring the implementation of development commitments. Its added value will be derived from its broad thematic coverage and inclusive nature, involving all development partners, including traditional and emerging donor partners and civil society, media and academic institutions, as well as its relationship with existing monitoring mechanisms. This, coupled with leveraging the political legitimacy of the Assembly, is likely to catalyse a major push to ensure full and timely delivery of commitments to Africa's development.

B. Official development assistance

73. According to OECD, total official development assistance declined from $133.7 billion in 2011 to $125.9 billion in 2012. Preliminary data show that flows to Africa declined to some $43 billion in 2012 from $51.7 billion in 2011. That decline may be partly attributed to fiscal tightening in many donor countries, especially in Europe, on account of the lingering effect of the global financial crisis and the turmoil in the euro zone economies.

Total official development assistance from all donors

(Billions of current United States dollars)



Source: Based on the OECD/Development Assistance Committee online database, 2013.

74. Disconcertingly, there was a noticeable shift in aid allocation from the poorest countries towards middle-income countries. The share of Africa in total OECD/Development Assistance Committee aid allocation has remained relatively constant, averaging around 37 per cent during the past three years. These data indicate that donors are not prioritizing Africa in aid allocation, the pledges to that effect notwithstanding. This is a concern in view of the significant role that aid has played in progress towards the Millennium Development Goals in developing countries, especially in Africa.

75. The increase in official development assistance to Africa since 2004 notwithstanding, the flow to the continent continues to fall short of pledges. At the Group of Eight summit held at Gleneagles, United Kingdom, in 2005, leaders announced a series of national commitments to increase international assistance, including doubling official development assistance to Africa by 2010 relative to 2004 levels. Aid allocation to Africa remains significantly below the 2010 level implied by the commitments made in 2005 (around $66 billion in 2011 prices), which represents around 70 per cent of what Africa would have received had the commitments been met in full.[4] The accountability report released at the Group's summit in 2013 assessed donor performance on this score as just satisfactory.

76. Against this backdrop, the implementation of the aid effectiveness agenda assumes great importance. Although some progress has been made in areas such as strengthening ownership of development by recipients and untying aid, challenges persist. Aid distribution remains insufficiently coordinated and the problem of what are termed aid "darlings" and "orphans" continues.

77. In follow-up to the Fourth High-Level Forum on Aid Effectiveness, held in Busan, Republic of Korea, in 2011, a global partnership for effective development cooperation was established in June 2012 as an inclusive forum bringing together a number of stakeholders, including traditional donors, emerging development partners, recipient countries and business and civil society representatives. The Global Partnership will contribute to improved development effectiveness through strengthened synergies and complementarities among donors (both traditional and emerging), coupled with enhanced ownership by recipient countries. Other progress includes the adoption of a set of effectiveness indicators that will provide the basis for a global monitoring framework. The participation of emerging development partners in this monitoring framework will be of great value to development effectiveness in Africa, in particular in the light of their increasing role in the continent's development.

C. Debt relief

78. The international community has committed itself to helping to address the debt problems of developing countries, including in Africa, through the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative, as well as at the bilateral level.

[4] See Economic Commission for Africa and OECD, "The Mutual review of development effectiveness in Africa: promise & performance" (2012). Available from www.uneca.org/sites/default/files/publications/mutual_review_2012english.pdf.

Current and potential beneficiaries of the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative (as at June 2013)

Status	*Countries*
29 post-completion point countries	Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Comoros, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Togo, Uganda, United Republic of Tanzania, Zambia
1 interim country (between decision and completion point)	Chad
3 pre-decision-point countries	Eritrea, Somalia, Sudan

Source: International Monetary Fund.

79. As can be seen from the table, 29 African countries had reached the post-completion point as at June 2013 and were therefore receiving full debt relief. Two countries — the Comoros and Guinea — had reached the completion point by the end of 2012. The International Monetary Fund and the World Bank announced debt relief of $176 million for the Comoros in December 2012 and of $2.1 billion for Guinea in September 2012. Furthermore, the Paris Club announced debt cancellation of $8.1 billion for the Comoros and debt relief of $344 million for Guinea, including $151 million in debt cancellation.

80. Chad is the only country between the decision point and the completion point and is receiving interim debt relief. For Chad to move to the post-completion point, it must continue working on its macroeconomic performance and make progress towards meeting several of the triggers under the Heavily Indebted Poor Countries Initiative, including health, infrastructure and rural development, which have been relatively weak.

81. Three pre-decision-point countries — Eritrea, Somalia and the Sudan — are yet to initiate the process of qualifying for debt relief under the Initiative. Eritrea has benefited from the development of mining activity and the production of gold since 2011, but its political situation remains fragile. Somalia has had virtually no engagement with international financial institutions for more than 20 years owing to its highly uncertain political and security situation and the lack of economic and financial information. The Sudan has made good progress towards the technical work required to advance towards the decision point of the Heavily Indebted Poor Countries Initiative and has, in collaboration with creditors, reconciled more than 90 per cent of the end-2010 external debt stock.

82. The debt burden of African countries has continued to fall. International Monetary Fund data, based on the most recent debt sustainability analysis, show that the provision of comprehensive external debt relief by creditors, in the context of the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative,

significantly contributed to reducing debt levels in Africa. The amount of debt relief provided to beneficiaries through the initiatives was, on average, about 47 per cent of their combined GDP in 2012.[5] Debt sustainability analysis projections suggest that the medium-term debt outlook for sub-Saharan Africa is generally favourable, given the projected economic outlook for the region. Projections indicate that average debt-to-GDP ratios are expected to edge up only marginally in the coming five years relative to end-2012 levels.

D. Foreign direct investment and other private flows

83. According to the United Nations Conference on Trade and Development, flows of foreign direct investment to Africa increased from $47.6 billion in 2011 to $50 billion in 2012, the decline of 18 per cent in global flows notwithstanding. Flows to Africa were driven largely by investment in the extractive sectors (oil and minerals). Services and manufacturing foreign direct investment flows are also rising, attracted by the growing middle-class population. The future outlook is more promising than in 2012, what with the gradual strengthening of the global economic recovery, including a return to positive growth in the euro zone.

84. Performance was mixed among the subregions, with North Africa registering strong growth of 35 per cent in 2012, following a drastic fall in 2011 in response to political turmoil. Central and East Africa also saw major increases in foreign direct investment flows. Flows to East Africa were influenced mainly by oil and gas in Uganda and the United Republic of Tanzania. Flows to West and Southern Africa registered a substantial decline, with inflows to the two largest economies on the continent, South Africa and Nigeria, falling by 24 per cent and 21 per cent, respectively, in 2012.

85. While the relative importance of traditional donors as a source of capital for Africa continues to decline, emerging countries of the South are consolidating their position and directing substantial investment across the continent. Several countries, including Brazil, China, India and the United Arab Emirates, continued to channel investment towards Africa in 2012. According to the *African Economic Outlook 2013*, South-South investment accounted for the largest share of announced greenfield investment to Africa for the second year in a row. Even though it declined from $43.7 billion to $24.9 billion in 2012, the share of total announced greenfield investment to Africa increased from 53 per cent in 2011 to 61 per cent in 2012.

86. Successful economic reforms undertaken in recent years have led to an improved business environment, increasing the region's attractiveness to international investors. African countries are steadily improving their positions on the World Bank's annual "ease of doing business" ranking, with several featuring among the world's top 10 reformers. This state of affairs has been a key factor in the mobilization of foreign investment.

87. Another welcome development is the diversification by African countries of their sources of external financing. Bond offering is an increasingly important source of external financing for Africa. According to the International Monetary Fund, as at May 2013, 11 countries had issued bonds on the international financial

[5] See International Monetary Fund, *Regional Economic Outlook: Sub-Saharan Africa* (Washington, D.C., 2013).

markets, with many offers oversubscribed.[5] This reflects increased confidence on the part of investors in the future growth prospects of African countries. Buoyed by the positive response from the global financial markets, other African countries may follow suit and issue bonds in the medium term.

E. Trade

88. The international community has pledged to support the integration of African countries into the global economy through enhanced market access and by addressing issues of special export interest for Africa in the context of the Doha Round of trade negotiations. It has also pledged to help African countries through Aid for Trade in order to address their supply-side and trade-related infrastructure bottlenecks, which constrain their ability to engage in international trade.

89. While preparations for the Ninth Ministerial Conference of the World Trade Organization (WTO), which will be held in Bali, Indonesia, in December 2013, are under way, there has been no progress to date in the Doha Round of trade negotiations towards reaching an agreement on issues affecting Africa, including greater reduction in trade-distorting agricultural subsidies. Every effort is now being made to ensure that, at the forthcoming conference, multilateral trade rules are strengthened to limit protectionism and restore sustained levels of global trade growth. In addition, various negotiating approaches are being explored to advance negotiations where progress could be achieved for an early harvest with regard to the Doha Development Agenda, which has remained elusive for more than a decade.

90. At the Group of Eight summit at Lough Erne, the States members of the Group reaffirmed the importance of food security for Africa, pledged to reject efforts to protect domestic markets and highlighted a powerful argument for driving forward free trade, with WTO playing a central role. They committed themselves to supporting the multilateral trading system by reaching agreement in December 2013 on a WTO initiative aimed at cutting bureaucracy to make it easier and swifter for goods to cross borders.

91. Following the third global review of the Aid for Trade initiative in 2011, Aid for Trade resources committed to Africa fell from $18.5 billion in 2010 to $13.1 billion in 2011 (29 per cent). That decrease, caused by reduced commitments to energy and transport projects, affected countries north (notably Egypt and Morocco) and south (among others, Ethiopia, Kenya and the United Republic of Tanzania) of the Sahara. The fourth Global Review of Aid for Trade, on the theme "Connecting to value chains", was held in Geneva in July 2013. Participants examined how development assistance could be used to connect firms in developing countries and least developed countries to value chains. They discussed options to join and add value within the network of production chains. Another key issue discussed was the development benefits of participation in value chains, notably in the context of the continuing deliberations on the post-2015 development agenda.

F. South-South cooperation

92. South-South cooperation continued to be a major source of African development, complementing North-South cooperation. The African Union Commission continued

its global review process of strategic partnerships between Africa and the rest of the world.

93. During the review period, Africa strengthened its partnerships with emerging development partners within intergovernmental forums such as the third Korea-Africa Forum, the third Africa-South America Summit and the fifth BRICS (Brazil, the Russian Federation, India, China and South Africa) Summit.

94. In October 2012, during Korea-Africa Cooperation Week in Seoul, the third Korea-Africa Forum enhanced cooperation between African countries and the Republic of Korea through the Seoul Declaration of the Third Korea-Africa Forum 2012 and the Action Plan for the Third Korea-Africa Forum 2013-2015.

95. In February 2013, the Malabo Declaration was adopted at the third Africa-South America Summit in order to strengthen cooperation between the two regions around 27 projects cutting across such sectors as trade, investment, health and education, infrastructure and science and technology.

96. In March 2013, at the fifth BRICS Summit, held in Durban, the participants adopted the eThekwini Declaration and Action Plan to strengthen partnership for development, integration and industrialization. They reaffirmed their support for sustainable infrastructure development, industrial development, job creation, skills development, food and nutrition security, poverty eradication and sustainable development in Africa.

97. Over the past year, emerging development partners such as China, India and Turkey enhanced their cooperation with African countries. Trade between China and Africa reached $163.9 billion during the first 10 months of 2012, compared with $166 billion for all of 2011.[6] Cultural and people-to-people exchanges have also deepened, given that 1 million Chinese travelled to Africa and nearly 500,000 Africans to China. In November 2012, China launched an $8 million programme with UNESCO to support educational development in Africa over four years to help to narrow the educational quality gap on the continent.

98. India-Africa trade expanded from $51.6 million in 2010/11 to $67 million in 2011/12.[7] In the same period, India approved some $1.2 billion in lines of credit for Africa to finance projects in agriculture, irrigation, food processing, rural electrification, information technology and infrastructure such as roads, railways, cement and power. India continued to establish institutions to build and strengthen capacity at the pan-African, regional and bilateral levels, including the India-Africa Institute of Information Technology in Ghana, the India-Africa Institute of Foreign Trade in Uganda, the India-Africa Institute of Education, Planning and Administration in Burundi and the India-Africa Diamond Institute in Botswana.

99. In 2012, under a technical cooperation package for least developed countries, Turkey identified and began implementing priority projects estimated at around $260 million in areas such as efficient use of water resources, climate change,

[6] See "China-Africa trade likely to hit record high", Xinhua, 27 December 2012. Available from http://news.xinhuanet.com/english/china/2012-12/27/c_132067354.htm.

[7] See, for example, Shyam Saran, "India and Africa: development partnership", Research and Information System for Developing Countries Discussion Paper, No. 180 (New Delhi, Research and Information System for Developing Countries, December 2012). Available from http://ris.org.in/images/RIS_images/pdf/dp180_pap.pdf.

agriculture, forestry, tourism and poverty alleviation. African students from Ethiopia, Mozambique, Nigeria and Somalia received scholarships to study at Turkish universities. Turkey provided extensive support to North African countries in the context of the Deauville Partnership with Arab Countries in Transition by providing financial packages to Egypt, Tunisia and Libya amounting to $2 billion, $500 million and $200 million, respectively.

IV. Support provided by the United Nations system

A. General

100. The United Nations system is one of the main pillars of international support for the implementation of NEPAD. Support by its entities at the regional, subregional and national levels takes various forms, ranging from technical assistance, capacity-building and funding to advocacy and normative work. The most recent report by the Secretary-General on United Nations system support for NEPAD (E/AC.51/2013/6) contains detailed information on the nature and scope of the support provided during the past year.

B. Strengthening of the Regional Coordination Mechanism of United Nations agencies and organizations working in Africa in support of the African Union, its New Partnership for Africa's Development and the cluster system

101. During the reporting period, the United Nations system strengthened its provision of support to the African Union in the servicing of Union summits, the implementation of various programmes for the continent's development, the provision of effective technical support, capacity-building and a forum for consensus-building and advocacy, and the mainstreaming of cross-cutting issues such as gender and employment in the programmes' work. The Regional Coordination Mechanism clusters prepared business plans and developed benchmarks to monitor progress in the implementation of NEPAD priorities. The Mechanism is now administered jointly by the Union and the United Nations.

102. Among the main achievements, the United Nations system handed over to the African Union the joint work programme for the implementation of the 10-year capacity-building programme for the Union in June 2012. A joint subregional coordination mechanism was established for Eastern and Southern Africa. With technical support from the Economic Commission for Africa, the Mechanism developed a business plan in line with the decision of the regional economic communities in the subregion to facilitate a free trade area across Eastern and Southern Africa. The United Nations system provided technical and financial support for participatory gender audits for agencies participating in the governance and social development clusters, which contributed to strengthening capacity to mainstream gender equality in governance and social development areas of NEPAD work.

103. In July 2012, the Regional Coordination Mechanism held a two-day meeting to discuss resource mobilization strategies for the African Union and NEPAD. Several

possibilities were identified for strengthening and building synergies and linkages between clusters, including strengthening intra-cluster and inter-cluster coordination among United Nations agencies in developing and implementing their cluster activities.

104. Along these lines, at the thirteenth session of the Mechanism, held in November 2012, recommendations were made on the preparation of a joint resource mobilization strategy between the United Nations and the African Union Commission and the creation of a trust fund to facilitate the implementation and coordination of activities set out in the business plans of the clusters. The United Nations Inter-agency Task Force on Africa, chaired by the Special Adviser on Africa, continued to provide an effective framework for the entities of the United Nations system to share expertise and experience. Among other activities, the Task Force actively participated in the preparation of the reports of the Secretary-General on United Nations support to NEPAD and on the causes of conflict and the promotion of durable peace and sustainable development in Africa, and in the consultation process on the establishment of the United Nations monitoring mechanism to review commitments relating to the development needs of Africa.

C. Millennium Villages

105. During the period under review, the Millennium Villages project continued to accelerate progress towards the achievement of the Millennium Development Goals in 10 sub-Saharan African countries, reaching some 500,000 people. Progress reports show that the project has made substantial progress towards the Goals, in particular in reducing child hunger, promoting gender equality in access to primary education, reducing child mortality and providing access to safer drinking water.

106. In an effort to tackle development challenges and accelerate the achievement of the Goals in the northern savannah ecological zone of Ghana, a new Millennium Village was launched in the region, serving some 30,000 people. Several new initiatives were also launched, including a community education worker programme, a campaign to train and deploy 1 million community health workers and various programmes relating to water, sanitation and hygiene. School meal programmes were expanded to include early childhood education centres. Several sites have supported schools to launch empowerment programmes for girls and to introduce sexual and reproductive health programmes for teenagers and parents. Infrastructure initiatives, including construction of schools, health clinics and roads, continued. The project has contributed to increased access by communities to water and electricity systems, with an increased focus on training sessions to prepare communities to manage infrastructure on their own once the project has concluded. The project is now beginning to work with the government of each Millennium Village location so that personnel, operations and management of the project can make the transition to local ownership, in anticipation of a full transition by 31 December 2015.

V. Conclusions and recommendations

107. Evident progress was made in the past 12 months in the implementation of the NEPAD agenda and, therefore, the commitments by African countries to their development, including the moving of several infrastructure projects to the implementation stage and the mobilizing of the private sector for the implementation of NEPAD, especially in terms of agriculture. Progress also continued in the implementation of other NEPAD priority sectors, including health, education and gender mainstreaming. Ten years since its establishment, the African Peer Review Mechanism has contributed to strengthening the space for engagement between Governments and the public.

108. With regard to international support for NEPAD, while foreign direct investment flows continued their upward trend, the global economic uncertainty notwithstanding, official development assistance to Africa declined considerably, even in the face of donor commitments to increase aid to the region. Furthermore, the Doha Round of trade negotiations remained stalled. This is a setback for developing countries, especially African countries that have undertaken painstaking structural reforms in order to reap the benefits of open trade. All these issues risk derailing recent development gains, including progress towards the Millennium Development Goals. As 2013 marks the fiftieth anniversary of the founding of the Organization of African Unity, African countries should recommit themselves to the NEPAD agenda and further mobilize the requisite political will to accelerate the implementation of NEPAD priority projects by stepping up public investment in order to catalyse significant private-sector investment.

109. The launch of a process to develop the Africa 2063 vision on the occasion of the commemoration of the fiftieth anniversary of the founding of the Organization of African Unity should serve as a solemn opportunity for African leaders to reiterate their commitment to the ideals of pan-Africanism and work to realize the dream of an African renaissance and to bequeath to future generations a united, prosperous and peaceful continent. Involving Africans in the design of programmes and projects intended to benefit them will be key to the successful implementation of NEPAD.

110. Given that NEPAD was predicated on the existence of a partnership between Africa and the international community, African countries and continental organizations must continue to forge partnerships and leverage them for the development of Africa. Doing so will ensure that the current momentum is sustained and accelerated. While progress has been made in the implementation of the NEPAD priority sectors, more remains to be done with regard to the NEPAD agenda. The consideration of the recommendations set out below will be important in this regard.

111. The Programme for Infrastructure Development in Africa holds the key to pan-Africanism and an African renaissance. Seizing the political momentum evident in the implementation of the Presidential Infrastructure Champion Initiative, efforts are needed to fast-track other Programme priority action projects to the implementation stage and encourage private participation and investment in infrastructure. In the light of the huge financing gap for infrastructure development, African development partners, including emerging

development partners, should also encourage their companies to direct investment into infrastructure by providing them with tax and non-tax incentives.

112. Given the serious problem of hunger in Africa and the important place that agriculture occupies in development overall, greater efforts must be made to raise agricultural productivity in line with Declaration on Agriculture and Food Security and to reprioritize public investment in agriculture so as to catalyse private investment. Improvement in agriculture and food security would fast-track progress towards the other Millennium Development Goals, especially those relating to health. Donors should also make efforts to increase their provision of financing to African agriculture in line with the L'Aquila Food Security Initiative.

113. In the light of the limited progress towards the Goals and the looming deadline, a strong push is required in the remaining period to ensure accelerated progress towards the Goals through increased political will and by channelling resources to those targets where progress has been limited.

114. Education has been the bedrock of progress in most successful societies and has the potential to transform socioeconomic development in Africa. Greater attention should be paid to the quality of education and learning achievements. African Governments must continue to promote inclusive education policies that better prepare students with the right skills and opportunities for decent employment.

115. While it is evident that African women contribute substantially to economic, social and political development and environmental management, they continue to have limited access to basic services and equal opportunities and are often marginalized in decision-making structures. Efforts must be made by African Governments to provide a framework that will accelerate women's empowerment, ensure greater political will and strengthen enforcement of laws aimed at such empowerment.

116. In the 10 years since its establishment, the African Peer Review Mechanism has been a trailblazing and innovative programme that has contributed to strengthening institutions of governance. African countries that have completed the reviews should fully implement the recommendations arising therefrom. Other countries that have not acceded to the Mechanism may wish to consider doing so in order to clearly anchor their commitments to good governance.

117. Translating the continent's impressive growth into sustained social development and poverty reduction requires bold and targeted public policy interventions geared at accelerating job creation through value addition and economic diversification.

118. Since Africa is the only region that is at risk of not meeting most of the Goals by 2015, donor countries should strive to deliver on their pledges to the continent, especially through increased official development assistance, technology transfer and foreign direct investment, including investment in infrastructure and other NEPAD priority sectors.

119. **Furthermore, the international community should continue to be engaged in the development of Africa beyond 2015. In this regard, due consideration should be given to the continent's special needs in the formulation of the post-2015 development agenda and the follow-up implementation of the mandates relating to the United Nations Conference on Sustainable Development, in particular means of implementation.**

120. **Given the difficulty in concluding the Doha Round as a single package in the short term, efforts must be focused on reaching agreement on issues that could have a greater impact on enabling trade, including trade facilitation and trade-distorting agricultural subsidies, an area of great importance to Africa. Furthermore, issues on which agreement has already been reached should not be held hostage by failure to conclude the round but should be fast-tracked for implementation.**

121. **The Tokyo International Conference on African Development remains an important platform for raising awareness of, and mobilizing international support for, the development of Africa. The alignment of the Conference agenda with African Union and NEPAD priorities was a significant achievement. Going forward, the added value of the Conference will be measured in terms of the extent to which it is able to mobilize catalytic and game-changing private investment in the NEPAD priority sectors, in particular infrastructure and agriculture.**

United Nations A/68/223

General Assembly

Distr.: General
29 July 2013

Original: English

Sixty-eighth session
Item 53 of the provisional agenda*
Comprehensive review of special political missions

Overall policy matters pertaining to special political missions

Report of the Secretary-General

Summary

This report is submitted pursuant to resolution 67/123, whereby the General Assembly requested the Secretary-General to submit a report on the overall policy matters pertaining to special political missions, including their evolution and trends, as well as their role in the activities of the Organization relating to the maintenance of international peace and security, and to make recommendations to increase their overall transparency and effectiveness.

* A/68/150.

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I. Introduction

1. At the heart of conflict, more often than not, are political issues. It should come as no surprise, therefore, that political missions have been at the very centre of United Nations efforts to maintain international peace and security since the establishment of the Organization. From the deployment of Count Folke Bernadotte to the Middle East in 1948 to the establishment of the United Nations Assistance Mission in Somalia in 2013, political missions have, in different forms, played a vital role in conflict prevention, peacemaking and peacebuilding.

2. In partnership with other actors, those missions have accompanied Member States through historic times of change: from supporting the decolonization and independence processes in Africa and Asia to assisting Central America in ending its civil wars and building peace in the 1990s; from facilitating the Bonn Agreement on Afghanistan in 2001 to aiding Nepal in its transition to peace and democracy; from assisting Libyans in organizing their first elections in almost 50 years to helping Somalia open its most hopeful chapter in a generation.

3. In the 1990s, those missions became collectively known as special political missions. In the two decades that followed, special political missions have grown significantly in number, size and the complexity of the mandates they are asked to implement. While many of their core functions stem from the early days of the Organization, the range of tasks carried out by these missions today is unprecedented, and a reflection of the growing importance Member States attach to this instrument.

4. While special political missions vary widely in their functional roles and characteristics, they can be broadly defined as United Nations civilian missions that are deployed for a limited duration to support Member States in good offices, conflict prevention, peacemaking and peacebuilding. They have been grouped in three main categories, or clusters, namely, special envoys; sanctions panels and monitoring groups; and field-based missions. This distinction will be used for the purposes of this report (see section III for a more detailed discussion).

5. This is my first thematic report on special political missions to the General Assembly. As requested in resolution 67/123, this report provides information on overall policy matters pertaining to special political missions, including their evolution and trends, as well as their role in the activities of the Organization relating to the maintenance of international peace and security. It also contains recommendations to increase their overall transparency and effectiveness.

II. Historical evolution of special political missions

6. Although the term "special political missions" emerged only in the 1990s, the history of United Nations civilian missions with political functions goes back much further. Political missions have carried out good offices, conflict prevention, peacemaking and peacebuilding functions since the early days of the Organization, fulfilling the spirit and letter of the Charter of the United Nations. Secretary-General Dag Hammarskjöld and other world leaders often referred to those deployments as "special missions" or "United Nations presences". Those early experiences built a solid foundation for the special political missions we see today.

7. The historical evolution of political missions has three distinct eras: a first period of new mission design (1948-early 1960s); a second period of relative inactivity (late 1960s-late 1980s), and a third period of rediscovery (post-cold war). This evolution was part of a broader trend of increased reliance by the United Nations on different mechanisms to promote and sustain peace and security. The evolution of peacekeeping followed a similar historical trajectory.

8. The period from the creation of the United Nations until the early 1960s was a fertile one for the design of a range of new missions. As a new institution, the United Nations was required to build and refine tools that could help to address emerging issues confronting the international community, from mediating disputes in the Middle East and South Asia to supporting the transition to independence in post-colonial States. Political missions were one of the instruments that were developed during that period.

9. In 1948, the first United Nations mediator was appointed, when the General Assembly mandated a Mediator in Palestine (Count Folke Bernadotte) to work alongside the United Nations Truce Supervision Organization.[1] Since then, successive Secretaries-General have deployed the services of high-level mediators or other envoys, either upon the request of the General Assembly or the Security Council, or in the context of the Secretary-General's good offices mandate.

10. In that period, the Organization also designed a number of field missions. They included small political offices that carried out facilitation tasks, such as the United Nations presence in Jordan, established by the General Assembly in 1958. Its purpose was described as "watching local developments, holding a finger on the pulse and keeping Headquarters fully informed about developments in that area".[2] Those early decades also saw the deployment of larger civilian presences to support political transitions, particularly in the context of decolonization and self-determination. For example, in 1949, the General Assembly established a United Nations Commissioner in Libya, mandated to assist the Libyan people in the formulation of a constitution and the establishment of an independent government.[3]

11. From the late 1960s until the end of the cold war, the Organization curtailed its design of new political missions. To a large extent, this was a result of the cold war divisions that hindered decision-making in the Security Council as well as the General Assembly. The number of missions mandated by the two bodies decreased during this period. While successive Secretaries-General continued to rely on special envoys and good offices missions, larger field-based civilian missions were rarely deployed.

12. One of the relatively few missions created in this period was that of the Special Representative to the Middle East, with a distinctly regional mandate that heralded the role of the present regional offices. The Special Representative was appointed in 1967 to maintain contacts with Member States in the region in order to achieve a peaceful settlement. He set up an office with political and military advisers, and engaged in shuttle diplomacy in subsequent years to the capitals of the region and beyond. The office operated until 1973.

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[1] General Assembly resolution 186 (S-2) of 14 May 1948.

[2] Ralph Bunche, statement to the 11th General Assembly of the International Press Institute, Tokyo, 25 March 1960.

[3] General Assembly resolution 289 (IV) of 21 November 1949.

13. The end of the cold war created new possibilities for the international community to maintain, collectively, its common security. At the same time, the post-cold war world saw the emergence of a number of new threats, including new civil wars in many regions. Post-cold war political transitions created increased demands for United Nations support, particularly in areas such as electoral assistance, constitution-making and the rule of law. From Central America to Africa, new missions were established to help Member States to meet those demands. The concepts behind the missions were not radically new, but rather a rediscovery of some of the models deployed by the Organization in earlier years.

14. Harking back to the smaller political offices established in the 1950s, the Organization relied on several similar missions in this period. This included the Special Mission to Afghanistan, deployed by the Secretary-General in 1993 at the request of the General Assembly, and mandated to canvass a broad spectrum of Afghan leaders and solicit their views on how the United Nations could best support national reconciliation and reconstruction. Also in 1993, a United Nations Office in Burundi was established to support peace and reconciliation initiatives in the country. In 1995, a similar model was applied with the creation of a United Nations Political Office for Somalia, aiming to assist Somalis "in coming together in national reconciliation".[4]

15. Electoral support was at the core of some political missions deployed in the late 1980s and 1990s, such as the United Nations Observer Mission to Verify the Electoral Process in Nicaragua, and the United Nations Observer Group for the Verification of the Elections in Haiti.[5] An increased reliance on missions with more multidimensional mandates became evident in the 1990s and 2000s, through the deployment, for example, of the joint United Nations-Organization of American States International Civilian Mission in Haiti (MICIVIH), the United Nations Verification Mission in Guatemala (MINUGUA) and, later, the United Nations Mission in Nepal (UNMIN).

16. The diversity of the mission models explored during that period does not mean that they were all successful. In some cases, the missions had only a marginal impact on the situation on the ground, owing to political dynamics, lack of commitment by the parties, or weak capacity of the mission itself. Yet the different models of political missions that emerged during the period helped to frame, to a large extent, the types of special political missions we see today.

17. At the same time, there are important differences vis-à-vis contemporary special political missions, particularly in terms of the scope of mandates and activities carried out. The landscape today is more diverse than ever before, with a wide array of mission structures and functions deployed in different contexts. The mandates of special political missions have become broader and more complex. The next section will discuss the present role of special political missions in the activities of the Organization, and show how their evolution over the past two decades has led to the wide range of missions we see today.

[4] S/PRST/1995/15.

[5] Two peacekeeping operations in this same period also had electoral support tasks at the core of their mandates: the United Nations Transition Assistance Group, established by the Security Council to ensure the early independence of Namibia through free and fair elections, and the United Nations Transitional Authority in Cambodia.

III. The present role of special political missions in the peace and security activities of the Organization

Good offices, conflict prevention, peacemaking and peacebuilding

18. Special political missions share a common raison d'être: preventing and resolving conflict, as well as helping Member States and parties to a conflict to build a sustainable peace. It is this core function that defines these missions as "political".

19. The role of special envoys in conflict prevention and mediation is relatively well known. Envoys have traditionally relied on diplomatic means to defuse tensions and resolve disputes — border disputes, regional conflicts, constitutional problems, electoral crises and a host of other issues — and to support peace talks, in close cooperation with other United Nations presences on the ground, including peacekeeping operations. Special envoys often have multifaceted roles, as they can be called on to support longer-term processes such as national dialogues and political transitions. In Yemen, where the United Nations facilitated face-to-face negotiations leading to the signature in 2011 of the two-year road map for the transition, my Special Adviser now provides direct assistance to Yemeni stakeholders in the implementation of the road map, an important component of which is the ongoing inclusive national dialogue, with participation of women's groups. In the Sudan and South Sudan, my Special Envoy has worked closely with the African Union High-level Implementation Panel to facilitate discussions on outstanding aspects of the Comprehensive Peace Agreement and to resolve existing deadlocks. And my newly appointed Special Envoy to the Great Lakes Region, the first woman serving as a chief United Nations mediator, plays a key role, in close cooperation with the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO), in supporting the implementation of the Peace, Security and Cooperation Framework for the Democratic Republic of the Congo and the Region, which was signed in February 2013 by 11 Member States in the region.

20. Perhaps less well known, but equally important, is the conflict prevention work of regional offices and resident political missions. United Nations regional offices — in West Africa, Central Africa and Central Asia — serve as forward platforms for good offices and preventive diplomacy, working with regional and subregional organizations, Member States and other partners to identify threats early and defuse tensions before they escalate. In Guinea, the United Nations Office for West Africa (UNOWA) played a key role in facilitating the country's transition from military to constitutional rule in 2009-2010, working in partnership with the Economic Community of West African States (ECOWAS) and the African Union. The United Nations Regional Centre for Preventive Diplomacy for Central Asia provided immediate good offices and support for crisis response in Kyrgyzstan following the outbreak of inter-ethnic violence in 2010. These offices have also played a key role in enhancing State and inter-State capacity in the fight against transnational threats — such as drug trafficking and organized crime in West Africa, or the fight against the Lord's Resistance Army in Central Africa — as well as in facilitating regional discussions and cooperation, for example, on water and energy issues in Central Asia.

21. Country-specific missions all accompany complex political or peace consolidation processes, and typically play a strong good offices role. Concretely,

the core political functions of these missions include tasks such as (a) promoting reconciliation, for example, in Afghanistan and Iraq; (b) conducting mediation and facilitation, for example, in the Middle East; (c) maintaining a sustained political dialogue with various stakeholders, for example, in Lebanon and Somalia; (d) providing electoral assistance and supporting efforts to prevent election-related violence, for example, in Libya and Sierra Leone; (e) coordinating donor assistance and mobilizing resources, for example, in Afghanistan, Guinea-Bissau and the Middle East; and (f) strengthening national capacities and supporting national priorities that are critical for a successful peacebuilding process, such as rule of law, security sector reform, disarmament, demobilization and reintegration, and mine action, for example, in Burundi, Libya, Sierra Leone and Somalia.

22. A recent example of the complex set of mandates entrusted to special political missions is the work accomplished on several fronts by the United Nations Assistance Mission for Iraq (UNAMI). The mission played an important preventive role with regard to the ongoing relocation of residents from Camp Ashraf to Camp Hurriya, then to third countries; provided technical advice for the organization of the 2013 provincial and local elections; helped to mobilize resources for humanitarian assistance to Syrian refugees; contributed to the establishment of the Iraqi Human Rights Commission; and maintained open lines of communication with various stakeholders, which proved critical in moments of increased political tensions. UNAMI also used its good offices role to facilitate the normalization of Iraq-Kuwait relations and Iraq's fulfilment of its outstanding Chapter VII obligations, effectively bringing Iraq closer to restoring the international standing it held prior to the Gulf War.

23. Given their political functions and the demands in the contexts where they are deployed, special political missions have become a critical peacebuilding tool of the United Nations. Four of the six countries on the agenda of the Peacebuilding Commission have special political missions, namely Burundi, the Central African Republic, Guinea-Bissau and Sierra Leone. There is an important and evolving institutional partnership between United Nations missions and the Peacebuilding Commission, the success of which is critical to ensuring sustained attention to post-conflict recovery. I have asked my Special Representatives to work closely with the Chairs of the country-specific configurations of the Peacebuilding Commission to build international support for agreed upon peacebuilding objectives and to mobilize the financial resources to implement this agenda, in collaboration with United Nations country teams and other actors on the ground.

24. Irrespective of their functions or structures, a common thread among special political missions is their focus on promoting national ownership at all stages of mandate implementation. Their work is based on the recognition that only national actors, through inclusive processes with the effective participation of women, can truly address the needs and goals of their societies in a sustainable way. In order to promote national ownership, the missions work closely with national counterparts to set priorities, strengthen local capacities and implement a jointly agreed agenda. The establishment of the United Nations Support Mission in Libya (UNSMIL) provides a good example: UNSMIL was deployed, at the request of the Libyan authorities, for an initial period of three months — subsequently renewed for another three months — during which the United Nations, the transitional authorities and civil society deliberated the specific scope and nature of the assistance that the mission would provide. Those consultations ultimately formed the basis of the mandate adopted by

the Security Council in resolution 2040 (2012). In Nepal, the flexibility in tailoring the mandate and structure of UNMIN allowed the mission to respond to the host Government's preference that arms monitoring functions under the Comprehensive Peace Agreement be carried out by civilians instead of military personnel.

25. Increasingly, special political missions operate in environments where transnational organized crime and drug trafficking constitute a main driver of instability. Repeated cycles of political and criminal violence fuelled by drug trafficking and organized crime represent a grave threat to many countries, undermining peacebuilding efforts. In some cases, such as Somalia and the Sahel, we are seeing the increasing convergence of organized crime and terrorist groups. Several special political missions are seeking to develop responses to help address such threats, fully cognizant of the sheer complexity of the problem. For example, in West Africa, UNOWA, together with the five political and peacekeeping missions in the region, the Department of Peacekeeping Operations, the United Nations Office on Drugs and Crime and INTERPOL, has supported the West Africa Coast Initiative, a United Nations-ECOWAS partnership designed to enhance the capacity of Member States in the region to curb transnational organized crime and illicit trafficking.

26. A number of country-specific missions also have mandates to address transnational organized crime — for example, in Afghanistan, Guinea-Bissau, Libya and Sierra Leone. However, many United Nations missions are in need of more tools to play a role in this area, such as technical expertise, strategic and operational guidance, and analytical capacities. Despite the engagement of special political missions in supporting national partners in fighting drug trafficking and transnational organized crime, the sheer size of the market generated by these criminal activities dwarfs the capacity of host Governments and United Nations missions, as seen in Guinea-Bissau.

27. At times special political missions are deployed to address complex or seemingly intractable challenges when other actors are not able or willing to engage. In this, they play a vital function, even if success is far from guaranteed. Their effectiveness depends on a range of factors, including the commitment of the parties, the existence of political space in which to operate, and a minimum standard of security. Without this, special political missions are not able to achieve all their objectives. In the Syrian Arab Republic, for example, the lack of international, regional and domestic consensus has so far stood in the way of a negotiated solution, despite the best efforts of the Joint Special Representative of the United Nations and the League of Arab States.

28. Yet, even in instances when the odds of success seem very low, the continued political engagement of the United Nations is important. By remaining engaged, we are at times able to make use of even the smallest window of opportunity. This has been true in the case of Somalia, where the improvement in the security situation and the United Nations-supported establishment of a federal government allowed the Organization to relocate its mission from Nairobi to Mogadishu for the first time since 1995. However, security threats remain, as evidenced by the attacks of 19 June 2013 against the United Nations.

The current landscape of special political missions

29. At present, there are 37 special political missions (see annex for a full list), categorized in three main "clusters".

30. Cluster I refers to high-level envoys of the Secretary-General requested to carry out good offices and mediation functions. Today, there are 11 such missions. Most of these are Headquarters-based, like the Special Adviser on Myanmar, or home-based, like the Special Envoy to the Great Lakes Region. Many have small offices stationed in the countries and regions where they work, for example, the Special Adviser on Cyprus, the Joint Special Representative of the United Nations and the League of Arab States for Syria and the Special Adviser on Yemen.

31. Cluster II refers to sanctions monitoring teams, panels and other groups, of which there are currently 11. Five are based in New York, one in Nairobi, and five are home-based. Monitoring teams, groups and panels are composed of technical experts who monitor the implementation of Security Council resolutions and track and report on the sanctions measures imposed by the Council, such as, but not limited to, arms embargoes, asset freezes and travel bans. Areas of expertise in these monitoring teams, groups and panels include banking, finance and alternative remittance systems; conventional arms and armed groups; customs, export control and travel ban enforcement; information analysis and counter-terrorism; transport; international humanitarian law and human rights; natural resources; political analysis; and non-proliferation of weapons of mass destruction and their means of delivery. These teams, groups and panels report to the Security Council through the relevant committee (composed of Security Council members), while the Secretariat provides administrative and substantive support. Cluster II entities cooperate with Member States and a wide range of other stakeholders, including resident United Nations peacekeeping operations and special political missions.

32. Cluster III refers to field-based special political missions, including regional offices and country-specific missions. There are currently 15 such missions deployed around the world, with different structures and functions. Ten of these missions are based in Africa, four in the Middle East and one in Asia. Their sizes vary from small missions such as the United Nations Integrated Peacebuilding Office in Sierra Leone (UNIPSIL) and regional offices such as the United Nations Office in Central Africa (UNOCA) to larger assistance missions deployed to countries where international military forces are present, such as UNAMI, the United Nations Assistance Mission in Afghanistan (UNAMA) and the United Nations Assistance Mission in Somalia (UNSOM).

33. A field-based special political mission in place in July 2013 has had an average duration of slightly less than six years. Some of the existing missions, however, were established to replace other special political missions, with a change in mandate.[6] The longest-lasting field-based special political mission was the United Nations Political Office for Somalia, created in 1995 and replaced on 3 June 2013

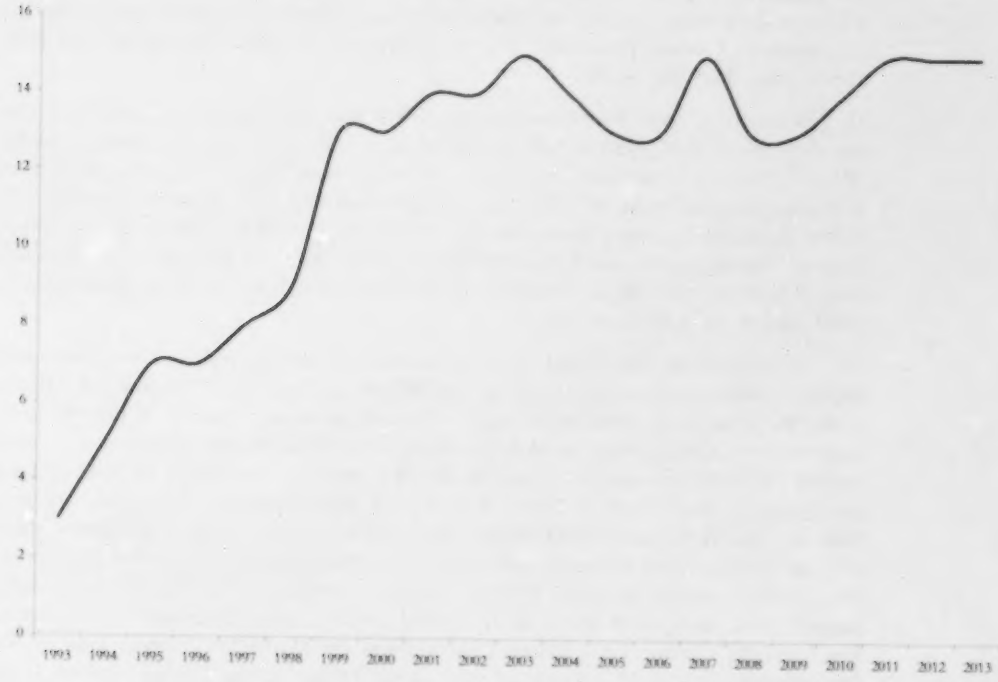
[6] For example, UNIPSIL was preceded by the United Nations Integrated Office in Sierra Leone (UNIOSIL) (2005-2008); the United Nations Integrated Peacebuilding Office in the Central African Republic (BINUCA) was preceded by the United Nations Peacebuilding Support Office in the Central African Republic (BONUCA) (2000-2009); the United Nations Integrated Peacebuilding Office in Guinea-Bissau (UNIOGBIS) was preceded by the United Nations Peacebuilding Support Office in Guinea-Bissau (UNOGBIS) (1999-2009); and the current United Nations Office in Burundi (BNUB) was preceded by the United Nations Integrated Office in Burundi (BINUB) (2007-2010).

by UNSOM.[7] Of the 37 current missions, 33 are mandated by the Security Council and 4 are mandated by the General Assembly.[8]

Trends

34. The evolution of field-based special political missions over the past two decades has been marked by three discernible trends: an increase in their overall number, an increase in their size and an increase in the complexity of their mandates.

Number of field-based special political missions per year



35. The number of field-based special political missions has grown steadily over the past 20 years (see figure). In 1993, there were only three political missions in the field. This number increased to 12 in 2000 and reached 15 in 2013. This growth occurred notwithstanding the fact that over half of the country-specific special political missions deployed since 1993 have already been liquidated.[9]

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[7] The Office of the United Nations Special Coordinator for the Middle East Peace Process was established in 1994 by the General Assembly, and remains in place.

[8] The General Assembly-mandated missions are the Special Adviser on Myanmar, the Office of the Joint Special Representative of the United Nations and the League of Arab States for Syria, the United Nations Office to the African Union and the Office of the United Nations Special Coordinator for the Middle East Peace Process. The latter two missions are not funded from the special political missions section of the regular budget, but they perform similar functions to other special political missions and are also funded, fully or partially, from the regular budget.

[9] Furthermore, 11 additional missions transitioned into other special political missions.

36. The increase in the number of special political missions is only part of the story. Individually, the mandates of the missions have become significantly more complex than they were at the outset, when they had primarily reporting and monitoring tasks. Especially over the last decade, field-based special political missions have become manifestly multidimensional operations, in line with an expanding normative agenda, combining political tasks with a broader set of mandates in areas such as human rights, the rule of law, and sexual violence in conflict.

37. One area in which the normative agenda of special political missions has increased significantly is the role of women in peace and security, particularly since the adoption of Security Council resolution 1325 (2000). Many special political missions have been involved in efforts to promote women's participation in conflict resolution and peace processes, and to incorporate a gender perspective in their overall peacebuilding work.

38. Whereas a field-based mission in 1995 had an average of less than two mandate areas, this number had increased to 3.5 by 2000 and to roughly six by 2013.[10] Different thematic mandates became more prevalent over time. For example, the percentage of field-based missions with security sector reform and rule of law mandates increased from none in 1995 to 30 per cent in 2000 to 60 per cent at present. Human rights mandates followed a similar trend: 28 per cent of field-based special political missions had human rights-related mandates in 1995, 38 per cent in 2000, and 60 per cent at present.

39. To implement this broad range of mandates, special political missions now require specialized expertise built up in different parts of the Organization. Owing to the increase in the number of tasks related to policing, the rule of law, security sector reform, disarmament, demobilization and reintegration and mine action — nine special political missions have experts in these areas — the Office of Rule of Law and Security Institutions in the Department of Peacekeeping Operations, together with the United Nations Development Programme, are key service providers. Their role has recently been strengthened through the establishment of a global focal point arrangement, so that missions have a one-stop interface at Headquarters. Country support plans have been prepared for Libya and are being developed for Somalia. Similarly, the Electoral Assistance Division and the Mediation Support Unit of the Department of Political Affairs, as well as the Office of the United Nations High Commissioner for Human Rights, offer niche expertise in their respective areas.

40. In the field of electoral assistance, for example, there is increased recognition that elections are not isolated, technical events but rather part of a continuum of political dynamics and processes. Accordingly, there has been a conscious effort to design United Nations electoral support as part of a broader approach to promoting peace and stability, linked to other activities in support of peaceful transitions, good governance, rule of law, and human rights.

41. Special political missions have equally become more complex in terms of their structure. Some of the missions are deployed not only to capitals but also to other key locations in the country concerned to enable liaison with a broader spectrum of the population. A number of missions work increasingly with seconded military and

[10] Mandate areas are broad categories (such as human rights, security sector reform) that contain a number of more specific mandated tasks (such as human rights capacity-building, monitoring, legal support).

police personnel providing strategic and technical advice in their areas of expertise, or in partnership with non-United Nations military actors on the ground. For example, in Sierra Leone the United Nations police played an important role in advising regional police leadership and security committees at the province and district levels. Special political missions are more operational at the country level, implementing projects in support of national peacebuilding priorities, and have begun to benefit from the ability to receive support directly from the Peacebuilding Fund.

42. The increased use of special political missions has evolved hand in hand with transformations at Headquarters, in particular the decisions of the General Assembly to create the Department of Field Support and the Office of Rule of Law and Security Institutions in 2007 and to strengthen the Department of Political Affairs in 2008. The Department of Political Affairs is the main operational arm for the conduct of my good offices, and provides substantive backstopping to most special political missions. In order to better support the work of those missions, the Department has strengthened, with support from Member States, its analytical capacities and technical expertise in areas such as mediation, electoral assistance, lessons learned and best practices. It has also enhanced its partnerships with other actors engaged in political work in the field. As a result, it is able to respond more rapidly and effectively to the needs of field missions and to promote a more coherent political engagement by key actors.

IV. Key policy issues and challenges

43. This section examines some of the most relevant cross-cutting and thematic issues for today's special political missions. As requested in resolution 67/123, the focus is on overall policy issues. While special political missions still face important challenges related to administrative and budgetary matters, those issues lie within the remit of the Fifth Committee and are the subject of my report on the review of arrangements for funding and backstopping special political missions (A/66/340).

Partnerships with regional and subregional organizations

44. Partnerships are critical for the successful implementation of the mandates entrusted to special political missions. Under Chapter VIII of the Charter, special political missions work closely with regional and subregional organizations to advance international peace and security. This partnership is based on a recognition that the United Nations and regional partners can have a multiplying effect by drawing on their comparative advantages. Regional organizations, because of their proximity to the situation on the ground and strong networks with national stakeholders, have the legitimacy and influence to play a critical role in preventing conflict and supporting political transitions.

45. Cooperation between the United Nations and regional organizations can take many forms: missions working alongside regionally led peacekeeping operations, as does UNSOM; regional offices mandated to enhance regional capacities for conflict prevention and mediation, such as the United Nations Regional Centre for Preventive Diplomacy for Central Asia, UNOWA and UNOCA; joint special envoys appointed by the Secretary-General and regional partners, like the Joint Special Representative of the United Nations and the League of Arab States for Syria; and day-to-day cooperation between missions and regional organizations, like that between the

United Nations Integrated Peacebuilding Office in the Central African Republic (BINUCA) and the Economic Community of Central African States (ECCAS).

46. The United Nations and regional organizations have recently taken a number of steps to codify and strengthen their cooperation. Formal cooperation agreements, joint missions, periodic desk-to-desk meetings and other mechanisms have been put in place to facilitate the building of more effective working relationships.

47. The establishment of the United Nations Office to the African Union (UNOAU) has greatly strengthened the Organization's partnership with the African Union, allowing for greater coordination and cooperation in the area of peace and security. UNOAU maintains close contact with country-specific special political missions and peacekeeping operations in Africa, and has helped to coordinate United Nations-African Union responses to issues of common interest, including through the holding of periodic meetings between members of the Security Council and the African Union Peace and Security Council.

48. While these partnerships are vital, they are not always without challenges. In some cases, the United Nations and regional organizations have different priorities, approaches or agendas. In addition, while a number of regional organizations are engaged in peace and security activities, they do not always have the capacities or resources to fully respond to challenges in their areas of responsibility. In other cases, the United Nations may not be the best actor to lead efforts in conflict prevention, peacemaking or peacebuilding. This means that a division of labour with regional partners needs to be carefully calibrated. There is also room to improve the sharing of best practices and lessons learned, and to jointly apply these lessons to new situations. In particular, collaboration and strategic coordination could be strengthened around early warning and early response to crises in many parts of the world.

System-wide coherence

49. Partnerships between special political missions and the wider United Nations system are critical for the implementation of a comprehensive approach linking security to social and economic development, to address the underlying drivers of each conflict, and to assist countries emerging from conflict in building a sustainable peace. Given the division of responsibilities within the United Nations system, integration between the mission and the various funds, agencies and programmes in the country requires a concerted effort to maximize the comparative advantages of different parts of the Organization.

50. In 2008, I endorsed a United Nations system-wide policy on integration in field missions, which emphasizes the importance of strategic cooperation between the missions and United Nations country teams and identifies necessary elements to achieve this, namely, joint assessment and planning tools and resources, and integrated task forces supporting these processes from Headquarters. The Peacebuilding Fund buttresses these efforts, having allocated US$ 170 million in countries with special political missions, using mechanisms that strengthen system-wide coherence.

51. Also in 2008, in recognition of the critical and complementary roles that our respective institutions play in supporting recovery from conflict, I signed, together with the then President of the World Bank, the United Nations-World Bank Partnership Framework for Crisis and Post-Crisis Situations. This partnership aims to foster strategic-level dialogue between the two institutions and more effective

joint responses in crisis and post-conflict contexts. In many cases, the World Bank already is a key interlocutor and partner of special political missions involved in a range of peacebuilding activities. In Yemen, for example, the World Bank has worked closely with my Special Adviser to support the national dialogue process.

52. In May 2013, the World Bank President and I carried out a landmark joint visit to the Great Lakes region, together with my Special Envoy to the region, to emphasize that the implementation of the political and security aspects of the Peace, Security and Cooperation Framework must go hand in hand with development. Despite the important progress achieved so far, we have only begun to tap into the potential of a strong United Nations-World Bank partnership. Special political missions, alongside United Nations country teams and peacekeeping operations, will play a central role in taking this cooperation to the next level.

Inter-mission cooperation

53. Special political missions work closely with other United Nations missions in the implementation of their mandates. Three types of relationship are particularly relevant: (a) between special envoys and peacekeeping operations; (b) between regional offices and other missions in their region; and (c) between different country-specific special political missions and peacekeeping operations.

54. Special Envoys have in some cases been appointed to complement the work of peacekeeping operations, particularly when there is a need to distinguish between peacekeeping and good offices duties. This practice dates back to the very first missions deployed by the Organization: Count Folke Bernadotte worked closely with the United Nations Truce Supervision Organization; later, in 1964, the Security Council recommended that the Secretary-General designate a mediator in the same resolution by which it established the United Nations Peacekeeping Force in Cyprus.[11] There are currently five Special Envoys who work alongside peacekeeping operations: the Special Adviser on Cyprus, the Personal Envoy for Western Sahara, the Special Envoy to the Great Lakes Region, the Special Envoy for the Sahel and the Special Envoy for the Sudan and South Sudan.

55. United Nations regional offices cooperate closely with different missions deployed in the region, be they peacekeeping operations or special political missions. In West Africa, UNOWA works with the missions in Côte d'Ivoire, Guinea-Bissau, Liberia and Sierra Leone, including through inter-mission conferences among specialized staff and regular meetings among my Special Representatives. As the main interface with ECOWAS, UNOWA has been able to serve as a bridge between country-specific missions and Abuja. In Central Africa, UNOCA works with BINUCA, MONUSCO and the United Nations Mission in South Sudan (UNMISS), as well as with UNOAU and regional partners, to develop a regional strategy for international humanitarian, development and peacebuilding assistance in the area affected by the Lord's Resistance Army.

56. Country-specific special political missions and peacekeeping operations equally work with each other. Such cooperation often focuses on cross-border issues. For example, UNIPSIL, UNIOGBIS, the United Nations Mission in Liberia (UNMIL), the United Nations Operation in Côte d'Ivoire (UNOCI) and UNOWA are involved in the implementation of the West Africa Coast Initiative, in support of

[11] Security Council resolution 186 (1964).

ECOWAS (see para. 25 above). In Lebanon, the Office of the United Nations Special Coordinator for Lebanon and the United Nations Interim Force in Lebanon work together for the implementation of Security Council resolution 1701 (2006), with close liaison, information-sharing and coordination channels between heads of mission and substantive sections. In the recent past, there are also examples of special political missions and peacekeeping operations that were simultaneously deployed in the same country, with a distinction between the military mandates and the civilian mandates (MICIVIH, MINUGUA).

Delivering mandates in a volatile security environment

57. Over the past decade, special political missions have been operating in increasingly volatile security environments. Particularly since 2002, when UNAMA was established, special political missions have been called upon to deliver complex mandates in situations of active conflicts, or barely post-conflict contexts. At present, missions in the Central African Republic, Iraq, Libya, Somalia and Yemen, in addition to Afghanistan, operate in areas with fragile security environments.

58. The security environment has direct consequences for a mission's ability to deliver its mandate, adversely affecting the safety and security of United Nations personnel in the discharge of their functions. Given their emphasis on national ownership, special political missions are expected to work closely with national counterparts — both governmental and non-governmental — in all aspects of mandate implementation. When the security situation deteriorates to a point where staff movement is restricted, those interactions are constrained, particularly at subregional levels.

59. In Iraq, in the aftermath of the Canal Hotel bombing in 2003, highly restrictive security measures were put in place, significantly reducing access, movement and interaction with counterparts in government and civil society. Similarly, in Afghanistan, the ability of UNAMA staff to engage with interlocutors in undertaking mandated tasks and activities has been increasingly restricted in different areas of the country because of security concerns. In Libya, the worsening of the security situation in 2012 led UNSMIL to relocate staff from the eastern part of the country, including the sub-office in Benghazi, which hindered the mission's ability to work with its interlocutors on important aspects of its mandate. In Somalia, the establishment of the new United Nations special political mission in the country requires a robust, flexible and differentiated menu of security management options to allow security arrangements to be tailored to individual tasks and locations. The terrorist attack of 19 June 2013 illustrated the critical importance of these arrangements.

60. In 2009, as part of the comprehensive review of the United Nations security management system, the Chief Executives Board for Coordination adopted a new strategic vision in security management. This vision shifted the Organization's approach from a "when to leave" to a "how to stay" stance, aimed at supporting the delivery of mandated programmes and activities, even in highly challenging situations. This new approach is based on the principles of "no programme without security" and "no security without resources".[12]

[12] See the comprehensive report of the Secretary-General on the Department of Safety and Security (A/67/526).

61. The host Government bears primary responsibility for the security and protection of United Nations personnel. Where the Government's capacity is weak or absent, special political missions have few security mechanisms at their disposal. Even in contexts where special political missions operate alongside multinational peacekeeping or enforcement operations, those forces often have other strategic priorities or limited capacity to protect United Nations personnel. All of this affects the ability of United Nations missions to deliver.

Transitions and exit strategies

62. The concept of United Nations transitions refers to a change in the configuration of the United Nations field presence on the ground in response to changing requirements and demands. United Nations transitions can happen in multiple directions: from a peacekeeping operation to a special political mission (Burundi); from a special political mission to a peacekeeping operation (Liberia); from a peacekeeping operation to the United Nations country team (Timor-Leste); and from a special political mission to the United Nations country team (Nepal). In general, the United Nations country team is present before, during and after the deployment of a special political mission. The sustainability of the success of any special political mission depends to a large extent on how well transitions to United Nations country teams are managed.

63. Transitional periods are particularly challenging for the Organization, demanding advance planning and coordination across the United Nations system. A system-wide policy on transitions in the context of mission drawdown and withdrawal has been developed to define responsibilities and decision-making steps.

64. Transitions underline the complementary nature of different United Nations configurations. Ultimately, the choice of the type of mission is based on the local demands and the needs of national authorities, as well as an assessment by the mandating body. The cases of Sierra Leone and Liberia provide useful examples of how the ability to deploy different types of United Nations configurations provides the Organization with flexibility to devise tailored responses.

65. In 1999, the Security Council established the United Nations Mission in Sierra Leone (UNAMSIL), a peacekeeping operation, because of the deterioration of the security situation in the country.[13] The Council subsequently established benchmarks for the drawdown of that peacekeeping presence, linked in particular to the restoration of State authority and peace consolidation. In 2005, the Secretary-General noted the considerable progress in the implementation of the benchmarks, and highlighted that the outstanding challenges would best be addressed by a smaller United Nations configuration tailored to post-conflict peacebuilding. The United Nations Integrated Office in Sierra Leone (UNIOSIL), a special political mission, was hence deployed in 2005.[14] In 2013, the Security Council welcomed the significant progress achieved by the Government and decided that the mission should fully withdraw by 31 March 2014, thus transitioning the United Nations configuration in the country to that of a United Nations country team.

[13] Prior to the deployment of UNAMSIL and its predecessor, the United Nations Observer Mission in Sierra Leone (UNOMSIL), the United Nations political engagement in Sierra Leone was conducted through the Secretary-General's Special Envoy, a special political mission.

[14] Security Council resolution 1610 (2005).

66. In Liberia, the Organization underwent a number of transitions in its country configuration. Following the Cotonou Agreement that ended the civil war in 1993, the United Nations deployed an Observer Mission (UNOMIL), which worked alongside the ECOWAS Observer Group to monitor the implementation of the Agreement by all parties. After the successful implementation of the Mission's main task — the supervision of elections in July 1997 — the Mission's mandate was considered completed. On the basis of consultations with the Government of Liberia and the Security Council, the United Nations Peacebuilding Support Office in Liberia, a special political mission, was established in 1997. This configuration was geared to support the post-conflict tasks, including national reconciliation and peace consolidation. However, the mission was ultimately unable to help local stakeholders to reach these objectives. In 2003 there was a deterioration of the security situation. Given the demand for security-related tasks, the Security Council subsequently decided to deploy a multidimensional peacekeeping operation to the country, the United Nations Mission in Liberia.

67. An important element of the life cycle of special political missions is their exit strategy, linked to the successful implementation of their mandate. In this regard, special political missions regularly assess the progress achieved in the implementation of their mandate, including in their reports to the Security Council and General Assembly. Four field-based special political missions — UNAMA, UNIOGBIS, UNIPSIL and BNUB — have benchmarks adopted by the Security Council, in close consultation with host Governments. Ultimately, deciding whether a particular mission has successfully accomplished its objectives and is ready to depart — leading to a transition to another United Nations configuration — is based on the assessment of the mandating body and the host Government.

Managing knowledge and learning lessons

68. A breadth of experience has been accumulated in the context of special political missions — in terms of both successes and failures. Knowledge management has thus become an important tool to capture that experience and apply it to ongoing and future operations. Over the past few years, the Organization has made considerable strides in improving its institutional learning in support of special political missions, identifying and analysing lessons, disseminating good practices, developing guidance, and providing training. While much more still needs to be done, such standardized processes did not exist five years ago.

69. Creating knowledge management systems has been critical in helping my Special Representatives gain access to the stock of good practices developed within the United Nations system. They also share knowledge in real time with each other. For example, in December 2012, on the occasion of the fifth anniversary of the United Nations Regional Centre for Preventive Diplomacy for Central Asia, the Department of Political Affairs organized a lessons learned exercise involving the heads of the three regional offices, allowing them to compare notes on how they have helped to address complex trans-boundary issues in their respective regions, as well as on good offices and peacemaking tools they have used. Similarly, in 2009, the Department and the Center on International Cooperation organized a comprehensive workshop to review lessons learned from the experience of UNMIN.

70. In March 2013, the Department of Political Affairs carried out an in-depth review of its response to the crisis in the Central African Republic, with a view to

improving its support to field missions faced with similar challenges. The crisis highlighted some of the limitations that special political missions confront when the political and security situation deteriorates. While BINUCA had played an instrumental role in supporting the negotiations that led to the signing of the Libreville Agreements in January 2013, the mission — together with ECCAS, the African Union and interested Member States — was not able to ensure their implementation. Ultimately, this led to a resumption of armed confrontations among the parties and the takeover of Bangui by the Séléka rebels. I have asked BINUCA and UNOCA to work closely with various partners, including through the International Contact Group for the Central African Republic, to develop regional and international support for the transitional process.

71. Creating a culture of institutional learning is not without challenges, particularly given the significant operational demands placed upon special political missions and the Departments that backstop them at Headquarters. At the same time, the development of internal guidance has been important in ensuring that staff at the working level have the necessary knowledge framework to support special political missions. A recent example is the special political mission start-up guide prepared in 2012, which serves as a key reference document for staff working on the deployment of new missions. In addition, a number of system-wide policies have been recently produced, such as the policies on integrated assessment and planning, on transitions, on human rights in field operations and on human rights due diligence. The Electoral Assistance Division has also developed a series of electoral policies to ensure consistency and coherence across the United Nations system.

V. Elements of success and recommendations to improve the transparency and effectiveness of special political missions

72. The body of experience and best practices developed with regard to special political missions in the past two decades has highlighted a number of important elements of success. These factors contribute to the overall transparency and effectiveness of the missions, in particular their ability to implement complex mandates, in support of national stakeholders.

73. *National ownership*. Special political missions work in support of domestic efforts to resolve conflicts and build a sustainable peace. Only national actors can address the needs and goals of their societies in a sustainable way. **Special political missions must continue to work closely with national stakeholders to set priorities, build domestic capacities and implement a common agenda.**

74. *Flexibility*. Conflict prevention, peacemaking and peacekeeping are highly diverse tasks that require a case-by-case approach, well tuned to local dynamics and needs. A one-size-fits-all approach to the design of the missions would lead to overly static structures that are out of touch with the demands on the ground. **Special political missions should be tailored to local contexts and needs, and sufficiently flexible to evolve in accordance with those needs.**

75. *Rapid response*. The fast-paced environment of peacemaking and peacebuilding initiatives demands that special political missions be agile in responding to changes on the ground. In a peace process, even minor delays could mean missing a unique window of opportunity for a settlement. In post-conflict

settings, the window of opportunity closes quickly. **Special political missions should be able to deliver promptly in order to make long-term gains in peace consolidation.**

76. *Leveraging comparative advantages*. It is critical to understand which contexts are suited for special political missions, and when other configurations, such as peacekeeping operations, are more appropriate. Special political missions have limitations, and are not designed to address all kinds of threats to international peace and security. **The respective comparative advantages of different United Nations configurations should be assessed in the light of the situation on the ground and the needs of national authorities.**

77. *Partnerships*. Partnerships with regional and subregional organizations are a critical tool for the success of special political missions. Strengthening those partnerships will remain a top priority of the Organization, and a key concern of my Special Representatives on the ground. **When requested, the United Nations should remain ready to provide capacity-building and technical assistance to its regional partners.**

78. *System-wide coherence*. Given the cross-cutting nature of the complex mandates entrusted to special political missions, an integrated and coherent United Nations response, both at Headquarters and in the field, is critical for a mission's success. **We should continue to strengthen the ability of United Nations missions to deliver an integrated and joined-up United Nations response, linking political work and security with the longer-term development agenda.**

79. *Dialogue with Member States*. Given the importance of special political missions in conflict prevention, peacemaking and peacebuilding, dialogue with Member States is critical for their success. Detailed information on special political missions is provided in my regular reports to the Security Council, as well as in my reports to the Fifth Committee of the General Assembly. **We should ensure regular inclusive and interactive exchanges on overall policy matters related to special political missions in order to promote closer collaboration with Member States, as requested in General Assembly resolution 67/123.**

80. In conclusion, special political missions have become an indispensable instrument for the maintenance of international peace and security. They are also the most visible manifestation of the Secretary-General's good offices. As they are deployed in complex and at times volatile environments, success is often difficult to achieve. Yet the record of the missions speaks for itself: they have demonstrated their ability to defuse tensions, help countries to step back from the brink of conflict, and support national efforts to build a sustainable peace.

81. Given the breadth and complexity of what special political missions are being asked to deliver, strong Member State support remains a critical ingredient of their effectiveness.

82. I would like to pay a tribute to my Special Representatives and Special Envoys as well as to the dedicated and courageous United Nations staff serving in these missions, who often work under difficult conditions in support of peace, security and development.

Annex

United Nations special political missions (as at 1 July 2013)

Special Envoys

1. Special Adviser to the Secretary-General on Cyprus
2. Office of the Special Envoy of the Secretary-General to the Great Lakes Region[a]
3. Special Adviser to the Secretary-General on Myanmar
4. Special Adviser to the Secretary-General on the Prevention of Genocide
5. Office of the Special Envoy of the Secretary-General for the Sahel
6. Office of the Special Envoy of the Secretary-General for the Sudan and South Sudan
7. Office of the Joint Special Representative of the United Nations and the League of Arab States for Syria
8. Personal Envoy of the Secretary-General for Western Sahara
9. Office of the Special Adviser to the Secretary-General on Yemen
10. Special Envoy of the Secretary-General for the implementation of Security Council resolution 1559 (2004)
11. United Nations Representative to the Geneva International Discussions

Sanctions panels and monitoring groups

1. Monitoring Group on Somalia and Eritrea
2. Group of Experts on Côte d'Ivoire
3. Group of Experts on the Democratic Republic of the Congo
4. Panel of Experts on the Democratic People's Republic of Korea
5. Panel of Experts on the Islamic Republic of Iran
6. Panel of Experts on Liberia
7. Panel of Experts on Libya
8. Panel of Experts on the Sudan
9. Analytical Support and Sanctions Monitoring Team established pursuant to Security Council resolution 1526 (2004) concerning Al-Qaida and the Taliban and associated individuals and entities
10. Counter-Terrorism Committee Executive Directorate
11. Support to the Security Council Committee established pursuant to resolution 1540 (2004) [concerning the non-proliferation of all weapons of mass destruction]

Field-based missions

1. Office of the United Nations Special Coordinator for Lebanon
2. Office of the United Nations Special Coordinator for the Middle East Peace Process[b]
3. United Nations Assistance Mission in Afghanistan
4. United Nations Assistance Mission for Iraq
5. United Nations Assistance Mission in Somalia
6. United Nations Integrated Peacebuilding Office in the Central African Republic
7. United Nations Integrated Peacebuilding Office in Guinea-Bissau
8. United Nations Integrated Peacebuilding Office in Sierra Leone
9. United Nations Office in Burundi
10. United Nations Office for Central Africa
11. United Nations Office for West Africa
12. United Nations Office to the African Union[b]
13. United Nations Regional Centre for Preventive Diplomacy for Central Asia
14. United Nations support for the Cameroon-Nigeria Mixed Commission
15. United Nations Support Mission in Libya

[a] Funded from the "unforeseen" account until 31 December 2013.
[b] Funded from the regular budget but technically not part of the special political mission budgetary category.

United Nations A/68/224

General Assembly

Distr.: General
23 July 2013

Original: English

Sixty-eighth session
Item 69 (b) of the provisional agenda*
Promotion and protection of human rights: human rights questions, including alternative approaches for improving the effective enjoyment of human rights and fundamental freedoms

The universal, indivisible, interrelated, interdependent and mutually reinforcing nature of all human rights and fundamental freedoms

Report of the Secretary-General

Summary

The present report is submitted in response to General Assembly resolution 66/151, in which the Assembly requested the Secretary-General to submit to it at its sixty-eighth session a report on the implementation of the resolution.

The report provides information about initiatives undertaken by Member States, the United Nations system, the United Nations human rights bodies and mechanisms as well as the Office of the United Nations High Commissioner for Human Rights to take into account the universal, indivisible, interrelated, interdependent and mutually reinforcing nature of all human rights in their policies, activities and implementation of mandates.

* A/68/150.

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I. Introduction

The General Assembly, in its resolution 66/151, requested the Secretary-General to submit to it at its sixty-eighth session a report on the implementation of the resolution, concerning the universal, indivisible, interrelated, interdependent and mutually reinforcing nature of all human rights and fundamental freedoms.

Pursuant to that request, on 14 June 2013, the Office of the United Nations High Commissioner for Human Rights (OHCHR) sent a note verbale to Member States and United Nations organizations requesting their contributions. By 16 July 2013, OHCHR had received responses from the Governments of Colombia, Guatemala, Honduras, Italy, Jordan and Qatar, as well as from the International Labour Organization and the World Food Programme.[1]

II. Efforts of Member States

Colombia

[Original: English]
[15 July 2013]

The Government of Colombia stated that its National Human Rights and International Humanitarian Law System is the main government tool for coordinating its activities and initiatives at national and local levels in the areas of citizenship, culture and human rights education; civil and political rights; armed conflict; economic, social, cultural and environmental rights; justice; and equality, non-discrimination and respect of identities. Since the system also includes core human rights principles enshrined in the Colombian Constitution and international human rights treaties, it contributes to the universality, interdependence and indivisibility of all human rights.

The main objectives of the system include the strengthening of national institutions; organizing national and local State programmes that allow effective action; providing the structure for a national human rights policy and promoting a rights-based approach to public policies; and promoting the follow-up to international human rights obligations.

Colombia explained that the system illustrates its efforts and commitment towards a more coherent, participative, constructive and lasting human rights policy based on the harmonization of government actions, dialogue and consultation with civil society, and cooperation with the international community, through the organization of departmental forums and a National Conference on Human Rights.

[1] The texts of the original submissions are on file with the Secretariat and are available for consultation.

Guatemala

[Original: Spanish]
[4 July 2013]

The Government of Guatemala recognized the need for a holistic approach to human rights due to the multicultural, multilingual and multi-ethnic composition of its population. It highlighted efforts made towards the promotion of human rights for all without distinction of any kind, and to institutionalize the protection of human rights in its public policy, in order to strengthen good governance, democracy, peace and human development at the national level. In this regard, Guatemala acknowledged the importance of strengthening fundamental rights and freedoms, which are essential to ensure sustainable economic growth, development, eradication of poverty and hunger, peace, security and justice.

Guatemala noted the development and implementation of public policies and programmes at the national level to foster the promotion and protection of all rights.

Guatemala mentioned the existence of State organs responsible for ensuring compliance with constitutional rights, as well as specific bodies with precise human rights functions, such as the Commission for Human Rights of the Congress; the Human Rights Ombudsman and Commissioner of Congress; and the Secretariat for Planning and Programming of the Presidency which regulates policies and prepares the national budget taking into account a human rights framework. In order to promote social inclusion in Guatemala, several governmental plans have been adopted to implement policies on democratic security and justice, economic development, and social and productive infrastructure.

Guatemala also noted the creation of a Presidential Commission for Human Rights responsible for the coordination of human rights policy and for monitoring compliance with the recommendations of United Nations human rights mechanisms.

Honduras

[Original: English]
[1 July 2013]

The Government of Honduras indicated that the adoption of its first Public Policy and National Plan of Action on Human Rights in January 2013 is a key initiative to integrate human rights into its national policy and foster cooperation in the human rights arena. Based on the principles of universality, indivisibility, interdependence, and the cross-cutting nature of human rights, the policy and plan of action aims at institutionalizing a human rights approach in the management of public affairs at all levels of the State apparatus to ensure the protection, respect and enjoyment of all human rights for everyone. In this regard, it takes into account the specific needs of particular groups, including children, women, older persons, indigenous peoples, afro-descendants, migrants, lesbian, gay, bisexual and transgender persons, persons with disabilities, persons deprived of their liberty, and human rights defenders.

Honduras noted that the policy and plan of action identifies public policy actions in key areas to clarify State obligations vis-à-vis the realization of 17 human rights priorities, which include the rights to life, physical and mental integrity, truth, participation, information, freedom of expression, education, health, food, work,

water, housing and culture. To ensure the promotion and protection of such rights, Honduras reported that State actions will focus on legislation, public policies, the establishment of a culture of human rights, accountability and transparency, the fight against impunity and reparations, and building rights-holders capacity to claim their rights.

The Public Policy and National Plan of Action on Human Rights assigns responsibility for implementation to 90 public institutions, which are required to work in coordination to ensure a holistic approach to the realization of human rights. An Inter-institutional Committee was created to monitor the implementation of the policy and plan of action and to facilitate coordination among public institutions, as well as an Advisory Council to facilitate dialogue with civil society and academia. Honduras acknowledged the support received from the international community and the United Nations system in ensuring an integral approach to human rights.

Italy

[Original: English]
[2 July 2013]

The Government of Italy presented three recent national initiatives undertaken by the Ministry of Foreign Affairs in the areas of freedom of religion or belief, genocide prevention and the responsibility to protect, as illustrations of its effort to strengthen and to reaffirm the concepts of universality, interdependence and indivisibility of all human rights. These endeavours demonstrate the linkage between freedom of religion and prevention of mass atrocities on one side, and other human rights — such as the right to education, freedom of expression, protection of minorities, and participation of civil society in decision-making processes — on the other.

A ministerial-level side event and panel discussion on the theme "Civil society and the education on human rights as a tool for promoting religious tolerance" held in September 2012 highlighted the role of civil society and the international community in promoting tolerance and religious dialogue, and in preventing and defusing conflicts due to religious differences, through human rights education.

A follow-up workshop on promoting religious freedoms and peaceful coexistence in February 2013 focused on the fundamental role that media and academics play in informing and shaping public opinion, thus improving religious dialogue and tolerance.

A conference on genocide prevention and the responsibility to protect: the United Nations early warning mechanism, held in June 2013, focused on the importance of the United Nations early warning mechanism as a tool to bridge the gap between repression and prevention of genocide and other crimes.

Jordan

[Original: Arabic]
[9 July 2013]

The Government of Jordan indicated that its Constitution includes guarantees reaffirming the interdependence and indivisibility of human rights. For instance it contains provisions ensuring equality before the law without discrimination; the right to education; equal employment opportunities for all; freedom from abuse and exploitation for groups such as women, children, older persons, persons with disabilities; workers' rights including the right to form and join trade unions; and non refoulement of refugees. Jordan noted also that it has ratified several international human rights treaties, such as the ILO Forced Labour Convention, the Convention on the Elimination of All Forms of Discrimination against Women, and the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.

Furthermore, Jordan established specialized bodies tasked to monitor the implementation of its human rights commitments, such as the National Centre for Human Rights — an independent national human rights institution responsible for promoting and protecting human rights, handling complaints and monitoring human rights violations; the Jordanian National Commission for Women, which supports the mainstreaming of a gender-equality perspective in all policy areas; and the National Council for Family Affairs, responsible for ensuring a better quality of life for Jordanian families.

Qatar

[Original: English]
[2 July 2013]

The Government of Qatar stressed the importance of promoting and protecting human rights at all levels, which is reflected through the ratification of several international human rights treaties, the integration of human rights in national policies and legislation, and the promotion of international cooperation in this field. Qatar noted that its Constitution highlights the principles of complementarity, interdependence and indivisibility of fundamental rights and freedoms, which include the full range of civil, cultural, economic, political and social rights, while other national legislation on human rights also promotes gender equality.

Qatar noted the establishment of several governmental institutions mandated to promote the integration, interdependence and indivisibility of human rights as a further effort to strengthen the State apparatus, such as the Human Rights Office of the Ministry of Foreign Affairs, the Human Rights Department of the Ministry of the Interior, and the Supreme Council for Foreign Affairs. In addition, Qatar established the Qatar Foundation for the Protection of the Child and Woman, the Qatar Foundation for Combating Trafficking in Human Beings and the National Human Rights Committee.

By adopting its "National Vision 2030", aimed at providing a high standard of living in all areas for all generations through sustainable development by 2030, Qatar adopted a framework within which to implement its national development

strategy, which covers major human rights issues, such as education, health, the environment, labour rights, empowerment of women, and children's rights.

In the area of international cooperation, Qatar hosted several global conventions and forums related to human rights, development, democracy, and the promotion of a culture of peace, such as the Second Forum on Democracy and Political Reform in the Arab World.

III. Efforts of the United Nations system

International Labour Organization

[Original: English]
[25 June 2013]

The International Labour Organization (ILO) places the right to work at the core of its activities, including the concept of decent work. ILO at its highest policy- and decision-making level has confirmed the significance of fundamental principles and rights at work as human rights, and their inseparable, interrelated and mutually reinforcing character.

Over decades, the ILO Declaration on Fundamental Principles and Rights at Work (1998) stressed the key role of ILO in assisting Member States to respect, promote and realize fundamental rights at work, then reaffirmed in the Declaration on Social Justice for a Fair Globalization of 2008.

The International Labour Conference held in June 2012 concluded by reaffirming (a) the universal and immutable nature of fundamental principles and rights at work; (b) their particular significance as human rights and enabling conditions for the creation of decent jobs; (c) the inseparable, interrelated and mutually reinforcing character of each category of fundamental rights, and the consequent need for an integrated approach to their realization.

The Conference concluded that the full realization of fundamental principles and rights at work can be advanced by an environment of respect for human rights, democratic freedoms and the rule of law; an independent judiciary; transparent and effective governance; functioning public institutions; universally accessible systems of social protection and education; and effective social dialogue.

In 2012, the ILO Governing Body adopted a Plan of Action on fundamental principles and rights at work, setting out objectives and activities cutting across its work for the realization of these principles and rights in an integrated manner. ILO also implemented programmes which focused on promoting the integration of fundamental rights at work, such as the International Programme on the Elimination of Child Labour.

Furthermore, ILO noted that human rights mainstreaming was enhanced through the human rights mainstreaming mechanism of the United Nations Development Group, to which it is a party. The mechanism acknowledged, and included in its founding concept note, that the ILO Fundamental Conventions and their supervisory bodies are part of the United Nations human rights framework, and therefore are complementary and mutually reinforcing to other United Nations provisions.

ILO concluded that the current global unemployment crisis drew attention to the urgent need for employment-generation strategies. However, due to the inextricable link between decent work and human rights, the former cannot be attained in the absence of the full enjoyment of, universal respect for and observance of all human rights and fundamental freedoms.

World Food Programme

[Original: English]
[27 June 2013]

The World Food Programme (WFP) reported on its recent strategic shift away from food aid to a varied set of food assistance interventions. This shift enhanced the WFP role as a direct provider of food assistance and as an enabler, supporting Governments and individuals in finding sustainable food security solutions. This change also made it possible to tailor interventions that both met the immediate food needs of vulnerable people and helped to empower crisis-affected people to ensure their own food security, as well as to support States in fulfilling their obligations to work on the progressive achievement of human rights, including the right to food.

WFP noted that food assistance programming processes and complementary interventions took into account the linkages between food security and the promotion and protection of human rights — including their universal, indivisible, interdependent and mutually reinforcing nature — and ultimately supported a number of human rights, such as the rights to life, education and social protection, and to the highest attainable standards of health. When combined, they jointly contribute to the achievement of the right to food. WFP provided as example the Purchase for Progress procurement initiative, designed to enhance smallholders' and low-income farmers' access to markets where they can sell their produce at competitive prices. The initiative ultimately contributed to the right to food by fostering people's capacity to produce, sell and access the food they need, thereby supporting their self-reliance.

WFP technical support to Governments helped to strengthen national social protection policies and programmes. In particular, efforts to establish and strengthen national school feeding programmes focused on country ownership and building government capacity. In 2012, nearly 25 million children were supported through school feeding programmes, nearly half of them girls. National school feeding programmes and other social protection programmes provide concrete instruments to increase levels of human capital and household income. This translated into increased opportunities to attain an adequate standard of living while contributing to the right to food.

WFP also took human rights into account through its operational approach to programming, by complying with the core principles of the human rights based approach, as reflected in its policies and programming tools. In 2012, WFP adopted a humanitarian protection policy aimed at making food assistance safer and more dignified. The implementation of the policy complemented other United Nations efforts on the human rights based approach to programming, by ensuring staff awareness of human rights standards and principles, seeking ways to support rights-holders and duty bearers, drawing attention to the needs and capacities of food

insecure individuals and groups that are marginalized or discriminated against, and undertaking deeper analysis of the root causes of hunger.

As a member of the Inter-Agency Standing Committee (IASC) and co-Chair of the IASC Task Force on Accountability to Affected Populations, WFP made commitments to address accountability in its operations and business practices. WFP efforts to establish or strengthen complaints and feedback systems in Afghanistan, Kenya, Mali, Pakistan and the Philippines, for example, contributed to a human rights based approach by ensuring that crisis-affected individuals had a means to hold assistance providers accountable for the quality, integrity and safety of their programmes.

IV. Efforts of United Nations human rights bodies and mechanisms

A. Human rights treaty bodies

The principles of universality, indivisibility and interdependence of human rights are the cornerstone of international human rights law. The nine core international human rights treaties form a system of protection and monitoring which covers the full range of civil, cultural, economic, political and social rights and the protection of specific groups. Through interrelated and interdependent operative provisions, the treaties embody an internationally accepted framework which safeguards rights in a manner that is exemplary in underlining the universality and indivisibility of human rights. The 10 human rights treaty bodies stand at the heart of the international human rights protection system as engines translating universal norms into social justice and individual well-being. The human rights treaty bodies continue to be uniquely placed to ensure the universal, indivisible, interrelated and mutually reinforcing nature of human rights in the implementation of their mandate. In pursuance of this, the committees have concretely contributed to the programming, monitoring and fulfilment of rights universally and indivisibly.

In terms of fostering universality, human rights treaties such as the Convention on the Rights of the Child are close to universal ratification, with 193 States parties. All States have ratified at least one, and 80 per cent of States have ratified four or more, of the core human rights treaties, reflecting consent of States which creates legal obligations for them and giving concrete expression to universality.

Following the entry into force in May 2013 of the Optional Protocol to the International Covenant on Economic, Social and Cultural Rights, an individual complaint mechanism for victims of economic, social and cultural rights is now available, which brings the Covenant into line with the International Covenant on Civil and Political Rights, which has had a similar Optional Protocol for the past 37 years. The Chair of the Committee on Economic, Social and Cultural Rights emphasized on this occasion that the entry into force of this instrument presents, inter alia, a milestone for economic, social and cultural rights, as well as for the implementation of the normative architecture envisaged by the Universal Declaration of Human Rights. On many occasions, the Committee stressed the indivisibility and interrelatedness of rights, for example noting the impact that deprivation of economic, social and cultural rights can have on a broad range of

other rights, which was also underlined in its letter to States parties in November 2012.

The committees, while working within their mandates, actively engage with the multifaceted nature of human rights. As an illustration, when undertaking field visits with a view to improving the treatment of persons deprived of their liberty, the Subcommittee on Prevention of Torture considers the whole range of human rights, including the right to health, food, water and legal assistance.

Furthermore, in her report on strengthening the human rights treaty body system launched in June 2012, the United Nations High Commissioner for Human Rights laid down a vision for the system grounded in the operationalization of the principles of the universality and the indivisibility of human rights as well as States' primary responsibility to ensure the implementation of those principles. One of the recommendations contained in her report encourages the establishment of standing national reporting and coordination mechanisms, aimed at facilitating timely reporting and improved coordination in follow-up to recommendations issued by international human rights bodies. Indeed, they should be able to deal with all United Nations human rights mechanisms' requirements with a view to enhancing efficiency, coordination, coherence and synergies in national efforts to realize all human rights for all.

B. Special procedures of the Human Rights Council

The special procedures of the Human Rights Council system are a central element of the United Nations human rights machinery which covers all human rights in an integrated and balanced way. In their thematic and country-specific work, the current 49 mandate holders address a broad range of human rights issues ranging from the right to freedom of opinion and expression, to human rights defenders, to the right to food, to slavery and discrimination against women. By giving a voice to the victims of human rights violations all around the world and early warning of such violations, they promote a universal approach to human rights.

Special procedures take into consideration the universal, indivisible, interrelated, interdependent and mutually reinforcing nature of all human rights when fulfilling their core activities, including in their country missions, thematic reports, communications and public information and media activities. It is common practice for several mandate holders to join their voices to raise critical human rights issues, basing their assessment and their calls for action in a perspective that places all human rights on an equal footing. For example, over 70 per cent of all communications with Governments on specific allegations of human rights violations are sent jointly by various mandate holders. Allegation letters and urgent appeals often raise concerns from a perspective of the universal, indivisible, interrelated, interdependent and mutually reinforcing nature of all human rights and fundamental freedoms. Similarly, following the entry into force of the Optional Protocol to the International Covenant on Economic, Social and Cultural Rights, a large group of mandate holders jointly stressed that it represented a major step in the protection and realization of economic, social and cultural rights, and a powerful affirmation that they are as important as civil and political rights, and fundamentally interrelated and interdependent with them.

Several mandate holders called for the post-2015 development agenda to fully integrate all human rights and to guarantee that equality, non-discrimination, participation and accountability are consistently taken into account in all development measures. The experts emphasized the importance of reliable, disaggregated data for setting and monitoring targets on inequality, social protection and other areas, highlighting the need to account for gender, age, disability and demographic factors, as well as including criteria such as access to basic rights and services, in addition to income inequality.

The following examples illustrate the increasing practice of mandate holders to reaffirm the universal, indivisible and interdependent nature of human rights in their thematic reports. In her report to the Human Rights Council at its twenty-third session,[2] the Special Rapporteur on the independence of judges and lawyers underlined the importance of legal aid and access to justice for people living in poverty, for the marginalized and excluded, and for people with special needs. She noted that forced evictions are examples of situations in which access to justice is essential.

The Special Rapporteur on the rights to freedom of peaceful assembly and of association stressed that these rights "serve as a vehicle for the exercise of many other civil, cultural, economic, political and social rights ... [and that] such interdependence and interrelatedness with other rights make them a valuable indicator of a State's respect for the enjoyment of many other human rights".[3]

In September 2012, the Special Rapporteur on extreme poverty and human rights presented the final draft of the guiding principles on extreme poverty and human rights[4] to the Human Rights Council, which adopted them by its resolution 21/11. The principles recognize the interdependence and indivisibility of all human rights, and highlight that States must take steps, to the maximum of their available resources, to progressively realize the enjoyment of the economic, social and cultural rights of those that live in extreme poverty. States are also called upon to ensure that people living in poverty overcome the specific obstacles to enable them to enjoy their civil and political rights in conditions of equality with the rest of the population.

In his first report to the Human Rights Council,[5] the Independent Expert on human rights obligations relating to the enjoyment of a safe, clean, healthy and sustainable environment identifies the need to clarify those human rights obligations. He underlines the importance of addressing substantive issues such as those regarding transboundary and global environmental harm and climate change, while also noting that the implementation of other rights is vital to environmental policymaking, such as the rights to freedom of expression and association, to receive information and participate in decision-making processes, and to effective legal remedies.

The Working Group on Enforced or Involuntary Disappearances stated in its general comment on children and enforced disappearances that, "in the case of enforced disappearances of the children's parents, many of the child rights,

[2] A/HRC/23/43.
[3] A/HRC/20/27, para. 12.
[4] A/HRC/21/39.
[5] A/HRC/22/43.

including economic, social and cultural ones, are affected. In many occasions, children are prevented from exercising their rights due to the legal uncertainty created by the absence of the disappeared parent. This uncertainty has many legal consequences, including effects on: the right to identity, the guardianship of underage children, the right to social allowances and management of property of the disappeared person. In those circumstances, many obstacles are created to children with regard to the enjoyment of their rights, including their right to education, health, social security and property".[6]

C. Universal periodic review

The principle of universality of human rights, as reaffirmed in the Vienna Declaration and Programme of Action, came to life with the establishment of the universal periodic review. This intergovernmental peer review process — which features universality of States and rights, periodicity, equal treatment and cooperation — aims at ensuring the periodic consideration and assessment of the human rights situation in every State Member of the United Nations. All States are treated in the same manner and the same rules and modalities apply to all.

The first cycle of the universal periodic review, completed in March 2012, saw 100 per cent participation from all 193 Member States, often represented at the level of ministers, who engaged in the interactive dialogue with their peers, demonstrating the importance they gave to the process. The discussion covered all civil, cultural, economic, political and social rights, as well as the right to development, giving equal importance and visibility to all rights and highlighting their interrelated nature. The universal periodic review process also generated cross-fertilization with treaty bodies and special procedures: standing invitations or invitations to specific mandate holders were issued by States in the lead-up, during, or after the review. Ratification of human rights treaties often coincided with the review, as did withdrawal of reservations and submission of outstanding treaty reports. More than 20,000 recommendations addressing the full spectrum of human rights were made in the first cycle, many of which reiterated or mirrored standing recommendations by treaty bodies, special procedures or other United Nations human rights bodies and thus contributed to strengthening the interrelatedness of rights.

The universal periodic review has been an opportunity for States to undertake a national assessment of the human rights situation and review their national agenda and policies, evaluate challenges and constraints, identify capacity and resource gaps, and reiterate their commitment to the universality, indivisibility and interrelatedness of human rights. For civil society actors, it strengthened their role and influence, and enabled them to share human rights analysis, define priority areas of concern, and coordinate their reporting and engagement with national authorities and the universal periodic review process.

These experiences shed light on the fact that good practices, achievements and challenges were common to all States regardless of their region, political system and religious and cultural background. Finally, the universal periodic review mechanism provided opportunities for all — States, national human rights institutions, civil

[6] A/HRC/WGEID/98/1 and Corr.1, para. 7.

society, United Nations entities, regional organizations, bilateral and multilateral actors — to explore how best to foster national and international dialogue and cooperation to promote and protect the universality, interdependence, indivisibility and interrelatedness of all human rights.

V. Efforts of the Office of the United Nations High Commissioner for Human Rights

The Vienna Declaration and Programme of Action, adopted by consensus by representatives of 171 States during the World Conference on Human Rights held in Vienna in 1993, provided the principle and the vision of a universal, interrelated and interdependent constellation of human rights and freedoms, which encompasses economic and social rights as well as the right to development. Since then, the right to development has been reaffirmed time and again in numerous resolutions of the General Assembly and the Human Rights Council and included in major political declarations.

In order to commemorate the twentieth anniversary of the World Conference, a conference was organized in Vienna in June 2013 by the Austrian Federal Ministry of European and International Affairs, in cooperation with the Office of the United Nations High Commissioner for Human Rights and other organizations, to examine how the achievements of the Vienna Declaration and Programme of Action could be best used today to further strengthen the international human rights system.

In her keynote speech at the Vienna conference of 2013, the United Nations High Commissioner for Human Rights defined the Vienna Declaration and Programme of Action as "one of the strongest human rights documents of the past hundred years. It crystalized the underlying principle that human rights are universal, indivisible, interdependent and interrelated, and firmly entrenched the notion of universality by committing States to the promotion and protection of all human rights for all people regardless of their political, economic, and cultural systems."

That all human rights are universal, indivisible and interdependent and interrelated (Vienna Declaration and Programme of Action, para. 5) is a guiding principle for OHCHR in the implementation of its mandate. As the leading United Nations entity on human rights, OHCHR is mandated to promote and protect the effective enjoyment by all of all civil, cultural, economic, political and social rights (General Assembly resolution 48/141). Resolution 48/141 also provides that the High Commissioner "shall be guided by the recognition that all human rights — civil, cultural, economic, political and social — are universal, indivisible, interdependent and interrelated and that, while the significance of national and regional particularities and various historical, cultural and religious backgrounds must be borne in mind, it is the duty of States, regardless of their political, economic and cultural systems, to promote and protect all human rights and fundamental freedoms".

The OHCHR management plan 2012-2013, as well as previous documents of this kind, articulated the overall direction of the Office in implementing this human rights mandate. In the past four years, OHCHR has sharpened its strategic direction by focusing its work on six thematic priorities which encompass human rights

challenges such as discrimination; impunity, the rule of law and democratic society; poverty and economic, social and cultural rights; violence and insecurity; and strengthening international human rights mechanisms, together with the growing challenge of ensuring human rights in the context of migration. The choice of these thematic priorities reflected due attention to the universality, indivisibility and interdependence of all human rights and fundamental freedoms.

As part of its mandate to promote the indivisibility, interdependence and interrelatedness of all human rights, OHCHR strongly supported the integration of all human rights, including the right to development, and their gender dimensions, in international cooperation and national development policies and economic and social programmes. OHCHR promoted the integration of human rights in development and poverty reduction activities with a focus on the poorest and most marginalized groups of society. It also sought to ensure the realization of economic, social and cultural rights and the achievement of sustainable and equitable development outcomes. This work is guided by the principles of universality, indivisibility and interdependence of all human rights and fundamental freedoms enshrined in the Universal Declaration of Human Rights, and reaffirmed in the Vienna Declaration and Programme of Action and the Declaration on the Right to Development.

What follows is a non-exhaustive list of examples of the engagement of the High Commissioner and OHCHR in promoting and protecting the universality, indivisibility, interdependence and mutually reinforcing nature of all human rights and fundamental freedoms in key functions undertaken both at field and headquarters levels.

A. Advocacy

In her statement before the European Parliament in Brussels on the occasion of a celebratory event for the sixtieth anniversary of the Universal Declaration of Human Rights, the High Commissioner argued that "the principles underpinning the 1948 Universal Declaration can be found in virtually all cultures and traditions". She furthermore underlined the fact that: "A global culture of human rights is predicated on the universality of human rights and their connection with security and development and welfare for all. We should never accept the argument that some rights fit the traditions of certain cultures, but are antithetical to other customs. All human rights are indivisible, entitled to all."

In 2010, at the request of the Human Rights Council, OHCHR organized a seminar on traditional values and human rights. In her opening statement, the High Commissioner stated: "There are traditions of hate, just as there are traditions of tolerance, traditions of repression just as there are traditions of liberation, and traditions of deprivation and exclusion just as there are traditions of social justice. Our task, that of the 192 countries represented by the Charter, is to come down squarely and unequivocally on the side of those in every society who promote and defend human rights. And so, in today's seminar, we focus on the traditional values underpinning human rights. In doing so, we reject those who would seek to juxtapose traditional values against human rights in a tired and dubious old rhetorical device that long sought to erode the universal authority — and universal appeal — of human rights. Indeed, while the Vienna Declaration recognizes that the

significance of national and regional particularities and various historical, cultural and religious backgrounds must be borne in mind, it reaffirms that it is the duty of all States, regardless of their political, economic and cultural systems, to promote and protect all human rights and fundamental freedoms."

At the field level, in Guinea-Bissau OHCHR supported a national non-governmental organization in organizing an international Islamic conference on the abandonment of female genital mutilation, held in October 2012, which led to a declaration of the imams of Guinea-Bissau on the abandonment of female genital mutilation. The participation of international Islamic professors from other African countries was crucial for the sensitization of the national Islamic community and local communities and the withdrawal of arguments in favour of female genital mutilation.

While the Millennium Development Goals raised the profile of various aspects of human development such as poverty, maternal and child mortality and access to water and sanitation as international concerns, they have been criticized for their failure to address the issues of inequality and discrimination and to include civil and political rights. Following OHCHR advocacy, the outcome documents of the high-level plenary meeting of the General Assembly of 2010 on the Millennium Development Goals and the United Nations Conference on Sustainable Development of 2012 contained a broader catalogue of human rights provisions, including the need to respect, protect and promote all human rights and fundamental freedoms for all without discrimination; calls for the rule of law, democracy, good governance, and accountability; and a call for a participatory process to develop new sustainable development goals respectful of human rights principles. Since the Conference of 2012, OHCHR has been active in following up on those commitments, through research, publications, advocacy, leading and contributing to the global thematic consultations of the United Nations Development Group, providing support to the Open Working Group on Sustainable Development Goals, and engaging with Member States to promote the human rights-based post-2015 development agenda.

In June 2013, the High Commissioner circulated an open letter to Member States, stressing that a new development agenda must be a universal and balanced framework, encompassing all human rights and the right to development, implemented through a rights-based approach, with a strong emphasis on participation, accountability, equality and non-discrimination, empowerment, and the rule of law, and include benchmarks for policy and institutional reform at the international level.

B. Policy advice

The work of OHCHR on land and human rights illustrates how the Office promotes the indivisibility and interrelatedness of human rights through analysis and policy advice. In relation to standard-setting at the global level, OHCHR participated in the intergovernmental negotiation on the voluntary guidelines on the responsible governance of tenure of land, fisheries and forests in the context of national food security, adopted in 2012 by the Committee on World Food Security, and provided technical advice and advocated for the integration of various civil, cultural, economic, political and social rights into the guidelines. The guidelines

integrated the principles of non-discrimination, the rule of law, and participation; the right to food, adequate housing, information and justice and to an effective remedy; the rights of indigenous peoples, human rights defenders, refugees and internally displaced persons; as well as the Guiding Principles on Business and Human Rights.

At the field level, in Cambodia OHCHR worked with the Government, civil society, communities, individuals, business enterprises, professional associations, and development actors to strengthen the legal framework protecting land use and ownership and housing rights. OHCHR continued to provide technical assistance to Governments, civil society and other national stakeholders, at their request, in making the necessary changes to national legislation and policies to integrate human rights standards into national development plans, policies and budget processes, and realize economic, social and cultural rights.

C. Legislative reform and institution-building

The substantive research, technical advice and practical learning tools of OHCHR helped to raise awareness and build the capacities of national actors to align national policies and programmes with human rights standards.

In several countries in South America, OHCHR supported the process of adoption of new legislation related to the rights of indigenous peoples. For instance, it provided comments on a draft decree on the regulation of consultation processes with indigenous peoples in Chile.

In Tunisia, OHCHR supported the constitution-making process, advised on compliance of the draft constitution with international standards and facilitated the participation of civil society in the process. In cooperation with other United Nations agencies and civil society, OHCHR advised and supported the Ministry of Human Rights and Transitional Justice and civil society in establishing a transitional justice mechanism in conformity with international standards and norms leading to a draft law promoting truth, accountability, reparations and guarantees of non-recurrence for victims of violations.

At the invitation of the Ministry of the Environment of Cambodia, OHCHR supported the consultation process for a draft law on environmental impact assessment, and commented on the harmonization of the draft law with international standards on transparency, public participation and access to information, gender, the responsibility of business enterprises, free, prior and informed consent, resettlement, grievance mechanisms and dispute resolution processes.

Acknowledging the interrelatedness and the cross-cutting nature of rights affected by caste discrimination, in Nepal OHCHR focused on access to justice for persons affected by caste-based discrimination and untouchability, including through technical assistance in the drafting of the Caste-based Discrimination and Untouchability Act, adopted in 2011. The work in Nepal paved the way to a broader engagement in South Asia, through work with United Nations country teams and civil society actors.

In Sierra Leone, OHCHR supported the implementation of the Disability Act 2011 as well as the establishment and operationalization of the National Commission for Persons with Disabilities, to ensure active participation of persons

with disabilities in the 2012 elections. It also contributed to the process that led to the establishment of the Technical Committee on Disabilities and provided technical support to the Minister of Social Welfare, Gender and Children's Affairs.

D. Capacity-building

Capacity-building is a key area where OHCHR made considerable efforts to enhance the knowledge and skills of government officials, civil society, media, national institutions, police and security forces, and other actors to overcome challenges threatening the universality and indivisibility of human rights.

Through the follow-up to the universal periodic review and more broadly the comprehensive approach of including recommendations from treaty bodies and special procedures in its country activities, OHCHR consistently supported the universality of human rights at the country level. For example, during 2011-2012, in order to assist Member States within the Europe and Central Asia region, OHCHR organized three subregional workshops in Georgia, Kyrgyzstan and Serbia with representatives from 19 Member States to share good practices and lessons learned on how to address and implement recommendations by United Nations human rights mechanisms in a coordinated and holistic manner, and thus promote the indivisibility of human rights.

In Ecuador, OHCHR provided technical support to 120 public planning officials of the National Secretariat for Development and Planning on how to integrate a human rights perspective into the formulation of public policies. OHCHR also supported the National Secretariat in applying the OHCHR human rights indicators framework when developing structural indicators for all human rights, in line with key recommendations of the universal periodic review.

Following the issuance of the guidance note of the Secretary-General on the United Nations approach to transitional justice, which highlights the importance of an approach to transitional justice that takes into account the root causes of conflict and addresses the violations in a comprehensive and integrated manner, in 2010 OHCHR organized an expert workshop on experiences of transitional justice processes in dealing with violations of economic, social and cultural rights. Furthermore, OHCHR is currently developing a special issue on this topic which explores the ways in which transitional justice processes have addressed violations of economic, social and cultural rights, as well as the links that exist between root causes, violations of economic, social and cultural rights, and transitional justice.

E. Mainstreaming

OHCHR worked to advance the integration of all human rights into the policies, programmes and activities of the United Nations system as a whole, including at the country level, and strengthened institutional partnerships within the United Nations system. Advocacy efforts were made through the active participation of OHCHR in the work of all inter-agency coordination mechanisms under the United Nations Chief Executives Board for Coordination, the High-level Committee on Programmes, the United Nations Development Group and the Executive Committees on Humanitarian Affairs, Economic and Social Affairs, and Peace and Security, which cover all human rights issues in all parts of the world.

In the area of development, a dedicated coordination and support mechanism, the human rights mainstreaming mechanism of the United Nations Development Group, led by OHCHR, was established in 2009. The mechanism provides an avenue for more effective and coordinated support to resident coordinators and United Nations country teams across the globe. The mechanism made important progress in promoting system-wide policy coherence, joint advocacy and knowledge-sharing on human rights in many parts of the world. For example, it developed coordinated human rights inputs for intergovernmental processes relating to the United Nations Conference on Sustainable Development of 2012, the General Assembly resolution on the quadrennial comprehensive policy review of operational activities for development, and the post-2015 development agenda. Upcoming work in this context includes the development of new global human rights guidance for resident coordinators and a learning support initiative for leadership of resident coordinators and United Nations country teams in the area of economic, social and cultural as well as civil and political rights.

OHCHR also focused on mainstreaming the rights of persons with disabilities under the mandate of the Convention on the Rights of Persons with Disabilities. As disability is a cross-cutting issue that involves all aspects of the life of persons with disabilities, OHCHR worked towards ensuring that persons with disabilities enjoy the full range of civil, cultural, economic, social and political rights on an equal basis with others. Its interventions at the national, regional or international level covered a variety of issues, from accessibility to austerity measures, from individual to collective rights, as well as the intersection between persons with disabilities and gender, lesbian, gay, bisexual and transgender persons, children, old persons, or migrants.

In its work on migration, OHCHR seeks to promote all human rights for migrants, regardless of their nationality or immigration status. OHCHR played a leading role in promoting a human rights-based approach to migration within the advocacy role and work programme of the inter-agency Global Migration Group, and co-Chairs the Working Group on Human Rights, Gender and Migration with UN-Women and UNICEF.

F. Monitoring and investigations

Human rights monitoring, fact-finding and investigation is a core aspect of the protection mandate of OHCHR and a function of most of its human rights field presences. It is a key tool for identifying violations, patterns, causes and possible solutions to diverse human rights concerns and crises. For instance, during 2013 in Cambodia, OHCHR monitored 74 land disputes between affected communities, authorities and businesses in both rural and urban areas, about half of which related to economic and other land concessions, including on indigenous land. In addition to documenting specific cases, OHCHR facilitated dialogue among parties to disputes, monitored court proceedings, and provided legal and procedural advice.

In Guatemala, during 2012, OHCHR carried out 70 monitoring missions, met with authorities, civil society organizations, victims and their families, and followed up on allegations of human rights violations concerning labour rights; rights of indigenous peoples; insecurity and social conflict; deprivation of liberty; persons

with disabilities; due process and judicial guarantees; access to land; violence against women; and attacks on human rights defenders, among others.

In Timor-Leste, OHCHR released a thematic report on the right to food at the end of 2008, after conducting field monitoring through interviews with local communities, vendors, consumers and local authorities, and monitored the implementation of a rice subsidy policy. OHCHR assessed availability, accessibility and relevant national policies and strategies, as well as the institutional framework to implement them, in connection with the right to food and other rights.

In recent years, international commissions of inquiry and fact-finding missions have been increasingly established by the Human Rights Council, the Secretary-General or the High Commissioner to respond to situations of violations of international human rights law and international humanitarian law, and other international crimes. To date, OHCHR has supported the work of more than 30 such investigative bodies. For instance, during 2012, OHCHR contributed to the establishment of four commissions of inquiry and one fact-finding mission mandated by the Human Rights Council. Among these, the fact-finding mission to investigate the effects of the Israeli settlement activities on the rights of Palestinian people focused on the implications of such settlements on the rights to self-determination, non-discrimination, movement, equality, due process, fair trial, liberty and security of persons, expression, access to places of worship, education, water, adequate standard of living, property, access to natural resources and effective remedy of the Palestinian people. Similarly, the commission of inquiry on the Syrian Arab Republic documented not only violations of the right to life, liberty and personal security, but also restrictions on freedoms of expression, association and peaceful assembly, and basic economic, social and cultural rights. A customized version of the OHCHR human rights case database, which makes it possible to capture violations of a broad range of rights, played a pivotal role in supporting the investigations conducted by the commissions of inquiry.

G. Education and training

In the area of human rights education and training, OHCHR promotes universality, indivisibility and interrelatedness of all human rights. In activities and materials relating to education and training, these characteristics of human rights are dealt with, with a focus which depends on the audience. Collaboration with experts and practitioners from all continents ensures international validation of those materials before publication. The OHCHR website hosts more than 400 translations of the Universal Declaration of Human Rights in languages representing peoples all over the world. For this OHCHR project, the Declaration has been awarded the Guinness World Record for the most translated — indeed, the most "universal" — document in the world.

In the past five years, OHCHR has trained the national human rights institutions of Djibouti, Ecuador, Ethiopia, Timor-Leste and the United Republic of Tanzania on human rights monitoring skills to document and report on violations of civil, cultural, economic, political and social rights. In Sierra Leone, OHCHR trained 146 traditional leaders on the impact of sexual and gender-based violence to increase their knowledge on this issue, to strengthen their ability to respond to community needs in addressing violations, and to raise awareness of the

consequences of sexual and gender-based violence on other rights. In Guatemala, OHCHR conducted two training courses to enhance the knowledge of staff from the Ministry of Energy and Mining on the nine international human rights treaties and the rights of indigenous peoples, particularly regarding the obligation of States to consult with indigenous peoples in policies and projects that directly affect them.

H. Publications

OHCHR has a portfolio of approximately 160 printed titles, each available in multiple official languages, covering the whole range of civil, cultural, economic, political and social rights. Examples of some recent publications which stress the importance of the universality, interdependence and mutually reinforcing nature of all human rights are the fact sheets on the right to food (published jointly with FAO) and the right to water (published jointly with WHO and UN-Habitat); the *Guide for Business: How to Develop a Human Rights Policy* (published jointly with the Global Compact); *Human Rights and Gender Equality in Health Sector Strategies: How to Assess Policy Coherence* (published jointly with WHO and the Swedish International Development Cooperation Agency); *Born Free and Equal: Sexual Orientation and Gender Identity in International Human Rights Law*.

OHCHR is currently revising its Manual on Human Rights Monitoring and finalizing a publication on the economic, social and cultural rights of migrants in an irregular situation, which highlights the importance of ensuring the access of such migrants to such fundamental rights as health and education, and notes in this context the indivisibility of civil, cultural, economic, political and social rights.

VI. Conclusions

Today, there is global recognition of the principles of indivisibility, interdependence and universality of all human rights, and much progress has been achieved in various parts of the world in this regard.

The present report shows that efforts have been made by Member States, the United Nations system, the United Nations human rights mechanisms and the Office of the United Nations High Commissioner for Human Rights to promote and implement the universal, indivisible, interrelated, interdependent and mutually reinforcing nature of all human rights through the incorporation of human rights into national policies and legislation, international cooperation, mainstreaming activities and in the implementation of mandates.

However, despite these efforts, current global challenges, such as climate change and the economic and financial crisis, highlight the urgent need for States, which bear the primary responsibility for ensuring the promotion and protection of human rights, and other actors to take further action to strengthen the implementation of such principles and permit the full enjoyment of all human rights for everyone.